H.E. Mr. Phouphet Khamphounvong  
Minister of Finance  
Ministry of Finance  
Vientiane, Lao PDR

Re: Multi-Donor Trust Fund for the Public Financial Management Strengthening Program (PFMSP)  
Amendment to the Grant Agreement – TF091192

Excellency:

We refer to the Grant Agreement dated November 6, 2008 between the Lao People’s Democratic Republic (“Recipient”) and the International Development Association (“World Bank”) for the above-mentioned Project, as amended (PFMSP Grant Agreement).

We also refer to your letter dated February 18, 2013 requesting to extend the Closing Date of the PFMSP Grant Agreement. The World Bank, as Administrator of the Multi-Donor Trust Fund for the Public Finance Management Strengthening Program, is pleased to inform you of its agreement to extend the Closing Date from March 31, 2013 to August 31, 2013. Furthermore, the World Bank also informs you that the amount of the Grant will be increased from US$4,700,000 to US$5,910,000. The above modifications of the PFMSP Grant Agreement are set forth in the Annex to this Letter of Amendments.

It is the World Bank’s policy to make publicly available the PFMSP Grant Agreement and any information related thereto, including this Letter of Amendments. By confirming its agreement below, the Recipient consents to disclosure of this Letter of Amendments after it has become effective.

Except as specifically amended hereby, all other terms and conditions of the PFMSP Grant Agreement shall remain unchanged and in full force and effect.
Please confirm your agreement with this Letter of Amendments by countersigning, dating and returning to us the enclosed copy of this letter. Upon receipt by the World Bank of the countersigned copy of this letter, the amendments shall become effective as of the date of such countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Annette Dixon
Country Director, Lao PDR
East Asia and Pacific Region

CONFIRMED:
LAO PEOPLE'S DEMOCRATIC REPUBLIC

By: [Signature]
(Authorized Representative)

Name: SANTIPHAB PHOMVICHANE
Title: VICE MINISTER OF FINANCE
Date: MARCH 27, 2013

CC: Mr. Sundaran Annamalai, Executive Director for Lao PDR, World Bank
ANNEX

Amendments to the PFMSP Grant Agreement (TF091192-LA)

1. The Table in Section IV.A.2 of PFMSP Grant Agreement is replaced by the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in US$)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Goods, Consultants’ Services and Training and Workshops under Part A of the Project</td>
<td>5,760,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Incremental Operating Costs under Part A of the Project</td>
<td>150,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>5,910,000</td>
<td></td>
</tr>
</tbody>
</table>

2. Section IV.B.2 of the PFMSP Grant Agreement is amended to read as follows:

“2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2013.”