Dear Dr. Jayasundera:

**Sri Lanka: NELSIP - DFAT-World Bank Partnership for South Asia Grant Agreement (DFAT Grant No. TF013787) Amendment to Grant Agreement**

We refer to the Grant Agreement dated May 8, 2014 entered into between the Democratic Socialist Republic of Sri Lanka (the Recipient) and the International Development Association (the Association) acting as administrator of grant funds provided by the Australian Department of Foreign Affairs and Trade (DFAT) for the above mentioned Grant.

We are pleased to inform you that the Association has received the outstanding contribution from DFAT to enable the total Grant amount to be increased by an additional one million, five hundred thousand United States Dollars (US$1,500,000) from the current amount of eighteen million eight hundred thousand United States Dollars (US$18,800,000) to twenty million, three hundred thousand United States Dollars (US$20,300,000), which is the total amount set out in the project paper for the additional financing of the above trust fund of April 11, 2014. Consequently, the Association proposes to amend the Grant Agreement as follows:

1. Paragraph (B) of the Preamble is amended to read as follows:

   "(B) the Recipient has requested the World Bank to provide additional financial assistance in support of activities related to the Original Project, in the form of a grant from the DFAT-World Bank Partnership for South Asia (TF071677) in an amount equal to twenty million, three hundred thousand United States Dollars (US$20,300,000), as said amount may be supplemented from time to time through additional contribution from DFAT; and"

2. Article 3.10 is amended to read as follows:

   "The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to twenty million three hundred thousand United States Dollars (US$20,300,000) (“Grant”) to assist in financing the Project."
3. The Table in Section IV.A of Schedule 2 is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in US$)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants' services, Incremental Operating Costs and Training and Workshops</td>
<td>2,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-Grants under Part 1 of the Project</td>
<td>18,000,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>20,300,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

All other provisions of the Grant Agreement shall remain in force.

Please indicate your agreements to this amendment by signing the form of countersignature below and returning one original to us. Upon receipt of the countersigned original by us, this amendment shall come into force as of the date of countersignature by you.

Sincerely,

INTERNATIONAL BANK DEVELOPMENT ASSOCIATION

Zhiyu Jerry Chen
Acting Country Director for Sri Lanka and Maldives

CONFIRMED
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

By Authorized Representative

Name: Priyantha Ratnayake
Title: Director General, Department of External Resources, Ministry of Finance and Planning, The Secretariat, Colombo 01, Sri Lanka.

Date: August 05, 2014
cc: Dr. Nihal Jayathilaka, Secretary, Ministry of Economic Development  
Mr. Priyantha Mayadunne, Additional Secretary, Ministry of Economic Development  
Mr. Priyantha Ratnayake, Director General, External Resources Department, MoFP  
Mr. Monty Ranatunge, Project Coordinator, NELSIP