ELLEN GOLDSTEIN  
Director for Myanmar, Cambodia and Lao PDR  
East Asia and Pacific Region  

H.E. Dr. Somdy Douangdy  
Deputy Prime Minister and Minister of Finance  
Ministry of Finance  
23 Singha Road  
P.O. Box 46  
Vientiane, Lao PDR  

Excellency:  

Re: Lao PDR: Early Childhood Education Project  
(IDA Grant No. H910-LA and IDA Credit No. 5370-LA)  
Amendments to the Financing Agreement  

We refer to the Financing Agreement dated May 14, 2014 between the Lao People’s Democratic Republic (“Recipient”) and the International Development Association (“Association”) for the above-referenced Project, as amended. We also refer to your letter dated April 27, 2018 requesting the Association to extend the Closing Date of the Project and to reallocate the proceeds of the IDA Credit and IDA Grant among certain Categories.  

Accordingly, the Association proposes to amend the Financing Agreement as follows:  

1. The withdrawal table set forth in Section IV.A.2 of Schedule 2 shall be amended to read as follows:  

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Training and Incremental Operating Costs for the Project</td>
<td>2,500,000</td>
<td>5,840,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) CCDG Grants</td>
<td>500,000</td>
<td>100,000</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td>(3) National School Meals Program Grants</td>
<td>3,560,000</td>
<td>0</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td>(4) Construction Grants</td>
<td>2,230,000</td>
<td>3,160,000</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td>(5) VEDC Grants</td>
<td>310,000</td>
<td>0</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>9,100,000</strong></td>
<td><strong>9,100,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
2. The Closing Date in Section IV.B.2 of Schedule 2 shall be amended to read as follows:

   "2. The Closing Date is December 31, 2020."

Except as specifically amended by this letter, all other provisions of the Financing Agreement shall remain unchanged and in full force and effect.

Please confirm your agreement with the amendments set out above by countersigning, dating and returning to us the enclosed copy of this letter. Upon receipt by the Association of the countersigned copy of this letter, the amendments shall become effective as of the date of countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Ellen Goldstein
Country Director
Myanmar, Cambodia and Lao PDR
East Asia and Pacific Region

AGREED:
LAO PEOPLE’S DEMOCRATIC REPUBLIC

By:  
Authorized Representative
Name: Somdy DOUANGDY
Title: Minister of Finance
Date: 31 MAY 2018