January 5, 2015

Honorable Goodall Gondwe  
Minister of Finance, Economic Planning and Development  
Ministry of Finance  
P.O. Box 30049  
Capital City  
Lilongwe 3

Malawi: Financial Reporting and Oversight Improvement Project  
(MDTF Grant Number TF013825)  
Amendment to the Grant Agreement

Dear Honorable Gondwe:

We refer to the Grant Agreement (the “Agreement”) between the Republic of Malawi (the “Recipient”) and the International Development Association (the “World Bank”) acting as administrator of the Multi-Donor Trust Fund for the Malawi Public Finance and Economic Management Reform Program, dated March 15, 2013 with respect to the above-captioned Project.

We propose to amend the Agreement to increase the amount of the grant by eleven million United States dollars (US$11 million) as follows:

1. Article 3.01 of the Agreement is amended to read as follows:

   “3.01. The Association 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 nineteen million United States Dollars (US$19,000,000.00) ("Grant") to assist in financing the Project.”

2. The table set forth under Section IV.A.2 of Schedule 2 to the Agreement is deleted in its entirety and replaced with the table as shown in the Annex to this Amendment Letter.

Please confirm your agreement with the foregoing amendments by signing and dating this Amendment Letter in the spaces provided below. Henceforward, all other provisions of the Agreement, except as amended through this Amendment Letter shall remain in full force and effect. This Amendment Letter shall be executed in two counterparts each of which shall be an original.
Upon confirmation, please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective as of the date of countersignature upon receipt by the World Bank of the countersigned original of this Amendment Letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Kundhavi Kadiresan  
Country Director  
Malawi, Zambia and Zimbabwe  
Africa Region

CONFIRMED:

REPUBLIC OF MALAWI

By: MINISTRY OF FINANCE
Name: HON. GODFREY GONDWE
Date: 2015-02-05
CAPITAL CITY, LILONGWE 3
### Annex

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants' services, Training and Operating Costs under the Project (except Part 3 of the Project)</td>
<td>17,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants' services, Training and Operating Costs under Part 3 of the Project</td>
<td>2,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>19,000,000</td>
<td></td>
</tr>
</tbody>
</table>