January 19, 2018

H.E. Mr. Somdy Douangdy
Deputy Prime Minister
Minister of Finance
Ministry of Finance
23rd Singha Road
Saysettha District
Vientiane, Lao PDR

Re: Lao People’s Democratic Republic: Second Trade Development Facility Project
MDTF Grant No. TF014189 and MDTF Grant No. TF0A3946
Amendment to Grant Agreement

Excellency:

We refer to the Grant Agreement, as amended (“Agreement”) dated March 28, 2013, between the Lao People’s Democratic Republic and the International Development Association (“World Bank”), acting as administrator of the Second Trade Development Facility Multi Donor Trust Fund (“Trust Fund”) for the Second Trade Development Facility Project (“Project”).

The World Bank proposes to amend the Agreement to increase the amount of the Grant made available to the Recipient by an additional one million two hundred thousand United States Dollars (U.S.$1,200,000) under the Trust Fund account No. TF0A3946. This increase reflects additional contributions received from the Trust Fund donors in accordance with Article III, Section 3.03 of the Agreement. Accordingly, the Agreement is amended as set out below:

1. Article III, Section 3.01 of the Agreement is amended to increase the Grant amount by one million two hundred thousand United States Dollars (U.S.$1,200,000) as follows:

   “3.01. 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 not exceeding twelve million four hundred thousand United States Dollars (U.S. $12,400,000) (“Grant”) to assist in financing the Project.”

2. The withdrawal table in Section IV.A.2 of Schedule 2 to the Agreement is amended as stated in the Attachment to this letter of amendment.

Except as specifically amended by this letter of amendment, all other provisions of the 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 of amendment. Upon receipt by the World Bank of the countersigned copy of this letter of amendment, this letter of amendment shall become effective as of the date of countersignature.

Sincerely,

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: Thipphakone CHANTHAVONGSA

Title:

Date: 15 MAR 2018
Revised Grant Withdrawal Schedule  
(Section IV.A.2 of Schedule 2 to the Agreement)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant TF014189 Allocated (expressed in USD)</th>
<th>Amount of the Grant TF0A3946 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, Incremental Operating Costs, and Training for the Project except under Part B.1.(b) of the Project</td>
<td>9,068,400</td>
<td>2,500,000</td>
<td>60% from TF014189 and 20% TF0A3946 until IDA Grant No. H819-LA has been fully disbursed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>60% from TF014189 and 40% TF0A3946 after IDA Grant No. H819-LA has been fully disbursed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100% from TF0A3946 after IDA Grant No. H819-LA and TF014189 has been fully disbursed</td>
</tr>
<tr>
<td>(2) Matching Grants under Part B.1.(b) of the Project</td>
<td>831,600</td>
<td>0</td>
<td>80% from TF014189 and until IDA Grant No. H819-LA has been fully disbursed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100% from TF014189 after IDA Grant No. H819-LA and has been fully disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>9,900,000</td>
<td>2,500,000</td>
<td></td>
</tr>
</tbody>
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