March 25, 2014

Hon. Patrick Pruaitch
Minister of Treasury
Ministry of Treasury
P.O. Box 542
Waigani N.C.D.
PAPUA NEW GUINEA

Papua New Guinea: Education for All – Fast Track Initiative (EFA-FTI)
Catalytic Trust Fund Grant No. TF098729
Reading Education (READ PNG) Project
Amendment to the Grant Agreement

Honorable Minister,

We refer to the Grant Agreement (the “Agreement”) for the Papua New Guinea: Education for All – Fast Tract Initiative (EFA-FTI) Catalytic Trust Fund Grant – Reading Education (READ PNG) Project (the “Project”) dated March 3, 2011, as amended to date, between the Independent State of Papua New Guinea (the “Recipient”) and the International Bank for Reconstruction and Development (the “IBRD”) and the International Development Association (the “Association”) (collectively, the “World Bank”). We also refer to your letter dated January 23, 2013, requesting the World Bank to make changes to the Agreement, and to our subsequent discussions concerning the proposed changes.

We are pleased to inform you that the World Bank, after due consideration, has agreed to amend the Grant Agreement as follows:
1. Section 2.01 of the Annex is hereby amended to read as follows:

   “2.01. Project Objectives and Description. The objectives of the Project are to promote better teaching and learning of reading skills in elementary and primary education.”

2. Part 3 in Section 2.01 of the Annex is hereby amended to read as follows:

   “Part 3. Strengthening Early Grade Reading Assessment

   Strengthening of the Recipient’s capacity to monitor student’s learning through collection of baseline data using early grade reading assessment (EGRA), and piloting post-EGRA interventions to address issues raised in the findings of the baseline results.”

3. The table under paragraph 3.01 of the Annex is hereby amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants’ services, Training and Workshops, and Incremental Operating Costs</td>
<td>19,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>19,200,000</td>
<td></td>
</tr>
</tbody>
</table>

4. Section 3.03 of the Annex is hereby amended to read as follows:

   “3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2015.”

   Except as specifically amended herein, all other provisions of the Financing Agreement remain in full force and effect.
Please confirm the agreement of the Recipient to this amendment letter by countersigning and dating the form of confirmation set forth below, and returning one fully signed original of this amendment letter to us. This amendment letter shall become effective as of the date of countersignature upon our receipt of your confirmation.

Very truly yours,

[Signature]

INTERNATIONAL DEVELOPMENT ASSOCIATION
Franz R. Dress-Gross
Country Director
Timor-Leste, Papua New Guinea & Pacific Islands
East Asia and Pacific Region

AGREED:

INDEPENDENT STATE OF PAPUA NEW GUINEA

By: [Signature]
    Authorized Representative
    Name: [Name]
    Title: [Title]
    Date: [Date]

cc:
Honorable Charles Abel, MP, Minister for National Planning and Monitoring
Honorable Nick Kuman, MP, Minister for Education
Mr. Dairi Vele, Acting Secretary, Department of Treasury
Ms. Juliana Kubak, Acting Secretary, Department of National Planning and Monitoring
Dr. Ken Ngangan, Acting Secretary, Department of Finance
Dr. Michael Tapo, Secretary, Department of Education
Mr. Godfrey Yerua, Deputy Secretary, TVET and UNESCO, Department of Education
Mr. Damien Horiambe, Assistant Secretary, Loans Execution Branch, Department of Treasury
Mr. John Uware, First Assistant Secretary, Financial Management Division, Department of Treasury
Dr. Eliakim Apelis, Acting Deputy Secretary, Teaching and Education Standards, Department of Education
Mr. Wesley Lakain, Acting Assistant Secretary, Curriculum Development and Assessment Division, Department of Education
Mr. Michael Willcock, Executive Director, World Bank
Bcc: Messrs/Mss: Drees-Gross, Mendoza, Ponnappa, McDonall, Ponnambalam, Fillow (EACNF); Yu (EASHD); Benveniste, Vu, Machuca-Sierra, Close, Kalu (EASHE); Bailey, Doiwa, Sinai (EACGF); Packard (EASHS); Pagau (EASHH); Gilfoyle, Whitehead, Sydney Financial Hub (EAPFM); Nunes, Sydney Procurement Hub (EAPPR); Mpundu, Morata (LEGES); TACT, CTRLN, GPE Secretariat, WBDocs