Minister Veaceslav Negruta
Ministry of Finance
Chisinau, Moldova

Multi-Donor Trust Fund Grant for Technical Assistance Support to Public Administration Reform of Moldova Project (TF056601)

Amendment to the Grant Agreement

Your Excellency:

We refer to the Multi-Donor Trust Fund Grant Agreement (the “Grant Agreement”) between Moldova and the International Development Association (the “Association”), acting as administrator of grant funds provided by Swedish International Development Cooperation, Department of International Development of the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the Netherlands (the “Donors”), dated June 29, 2006, as amended, for the above-referenced Project.

We also refer to the letter from Mr. Vladimir Filat, Prime Minister, dated August 26, 2010 and the e-mail correspondence between the State Chancellery and the Association dated April 12-14, 2011, requesting certain amendments to the Grant Agreement.

Pursuant to the increase of the Grant amount with the additional contribution not exceeding the equivalent of three million seventy five hundred thousand United States dollars (US$3,750,000) provided by Swedish International Development Cooperation, we concur with your request and hereby amend the Grant Agreement as follows:

1. The first paragraph of the letter of the Grant Agreement is amended to reflect the increased Grant amount not exceeding the equivalent of nine million nine hundred thousand United States dollars (US$9,900,000).

2. In Section 1 of the Annex of the letter of the Grant Agreement, two new subparagraphs (v) and (vi) shall be added under Part A (b) to read as follows (modifications are shown in italics):

“ (b) Government’s Policy-Making Capacity: Provision of technical assistance and training to: (i) review the policy planning system and develop a methodology for improved elaboration and coordination of policy proposals; (ii) conduct on-the-job-training in preparation, and pre-approval procedures for policy documents; (iii) review and amend Government normative acts and pass additional regulations on policy coordination system; (iv) further develop mechanisms linking policy and budget planning; (v) develop and implement new methodology for improved elaboration,
coordination, monitoring and reporting on policy proposals and strategic planning documents in the State Chancellery and across all the line ministries, during two consecutive budget execution periods; and (vi) build capacity of the Recipient’s State Chancellery in coordinating the activities of the Recipient’s National Participation Council as a key mechanism for stakeholder consultations on development of strategic planning documents of national importance.”

3. The table set forth in Section 4.2 of the Annex of the letter of the Grant Agreement is amended in order to reflect the additional contribution.

Accordingly, the revised table is indicated in the attached Annex 1 to this letter.

4. In Attachment I, Sections I.A and I.B. are amended to read as follows (modifications are shown in italics):

“A. All goods and services (other than consultants’ services) shall be procured in accordance with the provisions of Section I of the “Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (the Procurement Guidelines), and with the provisions of this Attachment.”

“B. All consultants’ services shall be procured in accordance with Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (the Consultants Guidelines), and with the provisions of this Attachment.”

5. In Attachment I, Section III.5 shall be amended to read as follows (modifications are shown in italics):

“5. Single Source Selection. Services for tasks in circumstances which meet the requirements of paragraph 3.9 of the Consultant Guidelines for Single Source selection, may, with the Association's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.”

Please confirm your agreement with the foregoing, on behalf of Moldova, by signing, dating and returning to us the enclosed copy of this letter. The amendment will become effective upon receipt of a countersigned copy of this letter.

Sincerely,

/s/ Martin Raiser
Director
Ukraine, Belarus, Moldova
AGREED:
REPUBLIC OF MOLDOVA

By: /s/ Veaceslav Negruta
Name: Veaceslav Negruta
Title: Minister of Finance
Date: June 28, 2011
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (in U.S. dollars)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants’ services, including audit</td>
<td>7,063,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>1,350,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(3) Training</td>
<td>1,078,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Incremental Operating Costs</td>
<td>309,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>100,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td><strong>9,900,000</strong></td>
<td></td>
</tr>
</tbody>
</table>