Honourable Minister Namgay Dorji  
Minister of Finance  
Ministry of Finance  
Royal Government of Bhutan  
Tashichhodzong  
Thimphu, Kingdom of Bhutan

Re: Kingdom of Bhutan: IDF Grant for Strengthening Public Financial Management in Bhutan Project  
IDF Grant No. TF013185  
Amendment to the Letter Agreement

Excellency:

We refer to the letter agreement ("Agreement") dated January 14, 2013, between the International Bank for Reconstruction and Development ("World Bank") and the Kingdom of Bhutan ("Recipient") related to the Strengthening Public Financial Management in Bhutan Project ("Project"). We also refer to your letter dated June 6, 2014, requesting the World Bank to provide additional funding for a new activity to be financed under the Project.

We are pleased to inform you that the World Bank agrees to your request, and proposes to extend to the Recipient an additional funding in the amount of one hundred fifty thousand United States dollars (USD150,000) to finance the above said activity. Consequently, the Agreement is amended as set out below.

1. The first paragraph of the Agreement is amended by revising the aggregate value of the Grant to be seven hundred thousand United States dollars (USD700,000).

2. Section 2.01(b) of the Annex is amended by adding a new activity as follows:

   "Part D. Support AASBB in establishment of Bhutan Institute of Chartered Accountants (BICA)"

   Support AASBB in the preparation of setting up of BICA, including the development of regulatory and governance framework. These activities would include consultancy support for developing draft BICA Act, stakeholder workshops, study tour of other professional accountancy organizations, curriculum development, capacity building and training."

3. The table in Section 3.01 of the Annex is amended as reflected in the Attachment to this amendment letter.
4. The Closing Date referred to in Section 3.03 of the Annex is amended as follows:

“3.03 Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2016.”

All the terms and conditions of the Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing by signing the form of confirmation set forth below and returning one fully executed original of this amendment letter to us and retaining one original for your records. Upon receipt by the World Bank of the countersigned copy, this amendment letter shall become effective as of the date of the countersignature.

Sincerely,

Sereen Juma
Acting Country Director for Bhutan

Agreed and Confirmed
KINGDOM OF BHUTAN

By
Name: Namgay Dorji
Title: Finance Minister
Date: 24/7/14
<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>
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</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>29,485</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ Services</td>
<td>478,025</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training</td>
<td>192,490</td>
<td>100%</td>
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<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>700,000</strong></td>
<td></td>
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