Her Excellency
Ms. Emilia Pires
Minister of Finance
Ministry of Finance
Palácio do Governo
Edifício 2, 1o andar
Dili
Democratic Republic of Timor-Leste

Re: Education Sector Support Project
Letter of Amendment to the Grant Agreement
(Grant Number H310-TP)

Excellency:

We refer to the Grant Agreement (the “Agreement”) for the Education Sector Support Project dated August 6, 2007, between the Democratic Republic of Timor-Leste and the International Development Association (the “Association”).

We are pleased to inform you that, further to discussions between our staff, the Association hereby agrees to amend the table under Section IV A.2 of Schedule 2 to the Agreement as per the attachment to this Letter of Amendment.

Except as specifically indicated in this Letter of Amendment, all terms and conditions of the Agreement otherwise remain in full force and effect.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Letter of Amendment, and returning it to the World Bank. This Letter of Amendment shall become effective on the date of the Recipient’s countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Truman Packard
Acting Country Director
Timor-Leste, Papua New Guinea & Pacific Islands Operations
East Asia and Pacific Region
AGREED:

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

By: Emilia Pires
Name: Emilia Pires
Title: Minister
Ministry of Finance
Democratic Republic of Timor-Leste

Date: 8/1/12

CC:

H.E. Dr. João Câncio Freitas, Minister of Education, Ministry of Education
Mr. Jorge Saldanha, Financial Manager, Ministry of Education
Mr. Almerio da Silva Reinato Soares, Project Co-ordinator, Ministry of Education
Mr. Apolinario Magno, Director-General, Corporate Services
## ATTACHMENT

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and consultants' services in respect of Part A, Part B (excluding Lafaek), and Part D</td>
<td>2,238,000</td>
<td>50%</td>
</tr>
<tr>
<td>(2) Goods and consultants' services in respect of Part B (Lafaek only) and Part C</td>
<td>1,056,000</td>
<td>0% in FY 2008, 50% in FY 2009, 37.5% in FY 2010, 25% in FY 2011, 12.5% in FY 2012, 0% in FY 2013</td>
</tr>
<tr>
<td>(3) Incremental Operating Costs</td>
<td>420,000</td>
<td>50%</td>
</tr>
<tr>
<td>(4) Training</td>
<td>221,000</td>
<td>50%</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>SDR3,935,000</strong></td>
<td></td>
</tr>
</tbody>
</table>