H. E. Phouphet Khamphounvong  
Minister of Finance  
Ministry of Finance  
Lao People’s Democratic Republic

Re: Multi-Donor Trust Fund for the Public Financial Management Strengthening Program (PFMSP)  
Amendments to the Grant Agreement (No. TF-091192)

Excellency:

We refer to the Grant Agreement dated November 06, 2008 between the Lao People’s Democratic Republic (Lao PDR) and the International Development Association (the Association) for the above-mentioned Project, as amended (PFMSP Grant Agreement).

We also refer to your letter dated September 20, 2011 requesting to extend the closing date of the PFMSP Grant Agreement. The Association, as Administrator of the PFMSP Grant Agreement, is pleased to inform you of its agreement to extend the closing date from March 31, 2012 to March 31, 2013. Furthermore, the Association also informs you that the amount of the Grant will be increased from US$3,071,926 to US$4,700,000. The above modifications to the PFMSP Grant Agreement are set forth in the Annex to this Letter of Amendments.

It is the Association’s policy to make publicly available the PFMSP Grant Agreement and any information related thereto, including this Letter of Amendments. By confirming its agreement below, Lao PDR consents to disclosure of this Letter of Amendments after it has become effective.

Except as specifically amended hereby, all other terms and conditions of the PFMSP Grant Agreement shall remain unchanged and in full force and effect.
Please confirm your agreement with this Letter of Amendments by countersigning, dating and returning to us the enclosed copy of this letter. Upon receipt by the Association of the countersigned copy of this letter, the amendments shall become effective as of the date of such countersignature.

Sincerely yours,

Maria lonata
Acting Country Director, Lao PDR
East Asia and Pacific Region

CONFIRMED:
LAO PEOPLE’S DEMOCRATIC REPUBLIC

By: [Signature]
Authorized Representative

Name: Phouphet KHAMPHOUNVONG
Title: Minister of Finance
Date: 2 March 2012
ANNEX

Amendments to the PFMSP Grant Agreement (TF91192-LA)

1. The Table in Section IV. A.2 of the PFMSP Grant Agreement is replaced by the following:

<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>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Consultants' Services and Training and Workshops under Part A of the Project</td>
<td>$4,550,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Incremental Operating Costs under Part A of the Project</td>
<td>$150,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>$4,700,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. Section B.2 of the PFMSP Grant Agreement is amended to read as follows:

“Section B.2. The closing date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2013.”