November 11, 2010

H. E. Keat Chhon
Deputy Prime Minister
Minister of Economy and Finance
Ministry of Economy and Finance
Phnom Penh, Kingdom of Cambodia

Re: Restated Multi-Donor Trust Fund Grant Agreement for the Public Financial Management Reform Project (TF054547-KH) (the Grant Agreement)
Amendment to the Grant Agreement

Excellency:

We refer to the recent Public Financial Management and Accountability Project restructuring mission conducted during the period September 22-28, 2010. One of the positive outcomes of this mission is that all donors of the Public Financial Management (PFM) Multi-Donor Trust Fund (MDTF) have indicated their intent to extend the timeline of their Administrative Agreement with the Bank. This additional time will allow for the completion of the agreed activities under the Grant Agreement dated August 11, 2005 and amended on September 27, 2010 between the Kingdom of Cambodia (the Recipient) and the International Development Association (the Association) (the Grant Agreement).

The amendment to the closing date of the Administrative Agreement has been circulated to the respective donors of the MDTF. However, some donors have alerted us that this process of review and endorsement by their management may take some time.

The current closing date in the Grant Agreement is November 11, 2010 and there is no grace period. In order for all the donors to have time to review and endorse an extension to the Grant Agreement, we hereby replace the closing date in Section 2.03 of the Grant Agreement by for January 11, 2011. Pursuant to such amendment, the closing date and the disbursement deadline date are the same.

Except as specifically amended hereby, all other terms and conditions of the Grant Agreement and Financing Agreement shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this letter to us. This amendment shall become effective as of the date of countersignature of this letter of amendment.
Sincerely yours,

/s/ Deborah Bateman

Deborah Bateman
Acting Country Director for Cambodia
East Asia and Pacific Region