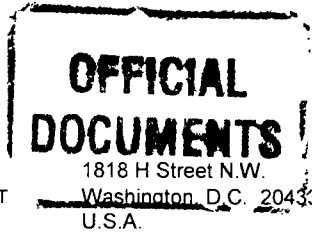


**The World Bank**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION(202) 473-1000  
Cable Address: INTBAFRAD  
Cable Address: INDEVAS

January 28, 2013

H.E. Rafe H. Al-Eissawi  
Minister of Finance  
Ministry of Finance  
Bab Al-Muadham, Hay Al-Ulum  
Baghdad, Iraq

**Re: Iraq: Public Finance Management Reforms Project  
(Grant No. TF094654)  
Amendment to Grant Agreement**

Excellency:

We refer to the Grant Agreement, dated July 20, 2009, between the Ministry of Finance of Iraq (Recipient) and the International Development Association (World Bank), for the above-mentioned Project (the Project). We also refer to your letter of December 12, 2012 and a letter from the Deputy Minister of Finance dated October 30, 2011, requesting certain amendments to the Grant Agreement.

We are pleased to inform you that, after due consideration, the World Bank concurs with the request, and consequently the Grant Agreement is hereby amended as set forth below.

1. The first paragraph of the Preamble to the Grant Agreement is amended to read as follows:

"I am writing on behalf of the International Development Association (the "World Bank") to indicate the World Bank's agreement, as administrator of grant funds contributed by various donors (collectively "Donors"), to make a grant in an amount not exceeding two million six hundred twenty one thousand and five hundred United States dollars (\$2,621,500) (the Grant) to the Ministry of Finance of Iraq (the "Recipient")."

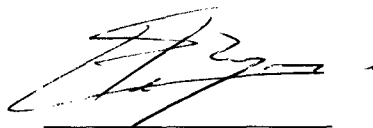
2. Paragraph 5 of the Annex to the Grant Agreement is amended to read as follows:

"5. The Activities shall be completed by not later than August 31, 2013, or such later date as the Bank may establish by notice to the Recipient (the Closing Date). After the Closing Date, the Bank may at any time cancel the remaining balance of the Grant."

Except as specifically amended by this amendment letter, all other provisions of the Grant Agreement remain 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. This amendment letter shall become effective as of the date of countersignature.

Sincerely,  
INTERNATIONAL DEVELOPMENT ASSOCIATION



Eric Le Borgne, Acting Country Director  
Authorized Representative

AGREED  
MINISTRY OF FINANCE OF IRAQ

By: \_\_\_\_\_

Name: Dr. FADHIL N. OTHMAN

Title: Acting Minister of Finance

Date: 7 Feb. 2013