

November 06,1995

His Excellency
Mr. Xaysomphone Phomvihane
Minister of Finance
Ministry of Finance
Post Office Box No. 46
Vientiane
Lao People's Democratic Republic

Mr. Viraphonh Viravong
General Manager
Electricite du Laos
Samsenethai Road
Vientiane
Lao People's Democratic Republic

Re: Provincial Grid Integration Project (IDA Credit No. 2425-LA)
(Amendment to Schedule 2 to the Development Credit Agreement)

Gentlemen:

Please refer to the Development Credit Agreement (the "Agreement") entered into between the Lao People's Democratic Republic (the "Borrower") and the International Development Association (the "Association"), as amended, and also to the Project Agreement entered into between the Association and the Electricite du Laos (the "EDL"), both dated December 2', 1992, in respect of the above-referenced Project.

We have received from H.E. the Minister of Finance, in his capacity as the Borrower's official representative, a letter dated October 28, 1995 (r@. 1148/MOF) requestina that the description of the Project be further amended so as to provide for the carrying out of certain social, environmental, macroeconomic and power sector studies and related technical activities in connection with the Borrower's proposed Nam Theun II Hydroelectric Project. Accordingly, the purpose of this letter is to amend Part E (2) of Schedule 2 to the Acreement to henceforth provide as follows immediately below:

"2. Provision of specialized technical assistance and related capacity building services in respect of the Borrower's proposed Nam Theun II Hydroelectric Project for: (i) legal and financial counsel; (ii) establishment of a panel of environmental and social experts; (iii) conducting each of (A) a study on economic impacts, (B) an environmental and social impact assessment, (C) an analysls of alternatives, and (D) a power sector development strategy; and (iv) preparing and carrying out a biodiversity conservation management plan."

Kindly confirm your agreement as the duly authorized representative of the Borrower and the EDL, respectively, to the foregoing amendment by signing and duly datin- the corresponding form of confirmation set forth below and returning this amendment letter to us at your earliest convenience. Signed duplicate originals of this amendment letter are enclosed herewith for your respective records. This amendment letter shall become effective as of the date first above written, once it has been fully executed by the parties thereto.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/
Authorized Representative

AGREED AND CONFIRMED

AGREEMENT AND CONFIRMED

LAO PEOPLE'S DEMOCRATIC REPUBLIC

ELECTRICITE DU LAOS

By /s/ Xaysomphone Phomvihane
Authorized Representative

Date: November 7, 1995

By /s/ Hatsady Sysoulath
Authorized Representative

Date: November 8, 1995

