Mr. Sishir Kumar Dhungana  
Secretary  
Ministry of Finance  
Singha Durbar  
Kathmandu, Nepal

Dear Mr. Dhungana,

Re: Nepal Health Sector Management Reform Program  
(Credit Number 5913-NP)  
Amendment to the Financing Agreement

We refer to the Financing Agreement (the “Financing Agreement”) between Nepal (the “Recipient”) and the International Development Association (the “Association”) dated March 2, 2017, as amended, for the financing of the Nepal Health Sector Management Reform Program-for-Results (the “Program”). We also refer to the meeting on April 3, 2020 regarding the restructuring of the Program.

We are pleased to inform you that, after due consideration, the Association accedes to the request and hereby proposes to amend the Financing Agreement as set out below in this amendment letter (“Amendment Letter”), namely that the new Section IV.B.2 is added as follows, and the subsequent paragraphs have been re-numbered accordingly:

“2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw an amount not to exceed SDR 17,940,000 as an advance; provided, however, that if the DLRs in the opinion of the Association, are not achieved (or only partially achieved) by the Closing Date, the Recipient shall refund such advance (or portion of such advance as determined by the Association in accordance with the provisions of paragraph 3 of this Part B) to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.”

Except as specifically amended in this Amendment Letter, all other provisions of the Financing Agreement shall remain unchanged and in full force and effect.

The Association will disclose this letter of Amendment Letter and related information in accordance with the Association’s Policy on Access to Information. By entering into this letter of amendment, the Recipient consents to such disclosure.

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 countersigned original of this Amendment Letter to us.

Nepal Country Office, Yak & Yeti Hotel Complex, Durbar Marg, Kathmandu, Nepal  
P.O. Box 798, Phone: +977 1 4236000/4226792/4439571 Fax: +977 1 4225112
Upon receipt by the Association of a copy of this Amendment Letter duly countersigned by the authorized representative of the Recipient, the above amendments to the Financing Agreement shall become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Faris H. Hadad-Zervos
Country Manager

AGREED:
NEPAL

By: [Signature]
Name: Sishir Kumar Dhungana
Title: Secretary
Date: April 27, 2020