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

Dear Mr. Dhungana:

Second Additional Financing for Earthquake Housing Reconstruction Project (Credit No. 6530-NP)  
Amendment to the Financing Agreement

We refer to the Financing Agreement ("Agreement") between Nepal ("Recipient") and the International Development Association ("Association"), dated February 6, 2020, for the above-referenced Project ("Project"). We also refer to letter from the Ministry of Finance dated April 6, 2020, requesting a restructuring of the Project, which requires certain amendments to the Agreement.

We are pleased to inform you that, after due consideration, the Association accedes to the request and hereby proposes to amend the Agreement as follows:

1. The table in Schedule 2, Section III.A is amended and replaced in its entirety to read as set forth in the Attachment to this letter.

2. New definitions for "Second Tranche" and "Third Tranche" are added in the Appendix to read as follows:

   "Second Tranche" means amount of Grant allocated to Categories (2) and (4) in the table set forth in Schedule 2, Section III.A of this Agreement."

   "Third Tranche" means amount of Grant allocated to Category (4) in the table set forth in Schedule 2, Section III.A of this Agreement.

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

The Association will disclose this letter of amendment and related information in accordance with the World Bank’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 letter of amendment to us. The above amendment to the Agreement shall become effective as of the date of countersignature upon receipt by the Association of a copy of this letter of amendment duly countersigned by the authorized representative of the Recipient.
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 letter of amendment to us. The above amendment to the Agreement shall become effective
as of the date of countersignature upon receipt by the Association of a copy of this letter of amendment
duly countersigned by the authorized representative of the Recipient.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Faris H. Hadd-Zervos
Country Manager

AGREED
NEPAL

By:  

Name: Mr. Sishir Kumar Dhungana
Title: Secretary
Date: June 3, 2020
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Incremental Operating Costs, and Training and Workshops for the Project</td>
<td>2,150,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Housing Grants for Second Tranche and Third Tranche</td>
<td>82,421,300</td>
<td>83.33% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Emergency Expenditures for the CER Component</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(4) Housing Grants for Third Tranche</td>
<td>60,428,700</td>
<td>33.33% of amounts disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>145,000,000</td>
<td></td>
</tr>
</tbody>
</table>