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

Dear Mr. Dhungana:

Additional Financing for Earthquake Housing Reconstruction Project (Credit No. 6164-NP)  
Amendment to the Financing Agreement

We refer to the Financing Agreement ("Agreement") between Nepal ("Recipient") and the International Development Association ("Association"), dated January 22, 2018, 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 I.A. is amended and replaced in its entirety to read as set forth in the Attachment to this letter.

2. Schedule 2, Section, 1.A.2 is amended to read as follows:

   "2. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 85,400,000 may be made for payments made prior to this date but on or after January 21, 2017, for Eligible Expenditures under Category (2)."

3. New definitions for "First Tranche", "Second Tranche" and "Third Tranche" are added to Section 1 of the Appendix to read as follows:

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

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

   "Third Tranche" means amount of Grant allocated to Categories (2) and (4) in the table set forth in Schedule 2, Section 1.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.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Faris H. Hadad-Zervos
Country Manager

AGREED
NEPAL

By: [Signature]

Name: Sishir Kumar Dhungana

Title: Secretary

Date: 3 June 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, consultants’ services, Incremental Operating Costs, and Workshops and Training</td>
<td>19,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Housing Grants for First Tranche, Second Tranche and Third Tranche</td>
<td>98,824,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>(3) Emergency Expenditures for the CER Component</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Housing Grants for Second Tranche and Third Tranche</td>
<td>95,076,000</td>
<td>83.33% of amount disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>213,600,000</td>
<td></td>
</tr>
</tbody>
</table>