



FARIS H. HADAD-ZERVOS
Country Director for Maldives, Nepal, and Sri Lanka
South Asia Region

October 30, 2021

Mr. Madhu Kumar Marasini
Secretary
Ministry of Finance
Government of Nepal Singha
Durbar, Kathmandu

Dear Mr. Marasini:

*Re: Nepal-India Electricity Transmission and Trade Project (NIETTP)
(Credit No. 4902-NP and Grant No. H660-NP)
Additional Financing for the NIETTP (Credit No. 5263-NP and Grant No. H858-NP)
Amendment to the Financing Agreement*

We refer to the Financing Agreement (“Original Financing Agreement”) dated July 15, 2011, as amended between Nepal (“Recipient”) and the International Development Association (the “Association” or “IDA”) for financing of the Nepal India Electricity Transmission and Trade Project (“Project”); and the Financing Agreement (“Additional Financing Agreement”) dated September 11, 2013, as amended between the Recipient and the Association for the additional financing for the Project (together, referred to as the “Financing Agreements”).

We also refer to your letter dated October 30, 2021 requesting a partial cancellation of the Credit and Grant amount for the Financing Agreements. Accordingly, the respective table in Section IV.A of Schedule 2 to the Original Financing Agreement and the Additional Financing Agreement shall be deleted in its entirety and replaced with the corresponding revised table in the attachment to this Amendment Letter. Except as specifically amended by this Amendment Letter, all other provisions of the Financing Agreements shall remain unchanged and in full force and effect.

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

Please confirm your agreement to the foregoing on behalf of the Recipient by signing and dating two (2) originals of the Amendment Letter, retaining one (1) original for your records and returning the other original to the Association. Upon receipt by the Association of the duly countersigned original of this Amendment Letter, this Amendment Letter shall become effective as of the date of the last countersignature.

Sincerely,



Faris Hadad-Zervos

Country Director for Maldives, Nepal, and Sri Lanka

AGREED:

NEPAL

By: MK Marasini

Name: Madhu Kumar Marasini
Title: Secretary
Date: 26 November 2021.

Attachment to the Amendment Letter

NEPAL
IDA Credit No. 4902-NP and IDA Grant No. H660-NP
Revised Withdrawal Schedule

| Category | Amount of the Credit Allocated (expressed in SDR) | Amount of the Grant Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|---|--|---|---|
| (1) Goods and works under Part B of the Project | 52,700,000 | 1,600,000 | 100% |
| (2) Consultants' services, and Training and Workshops (under Part C of the Project) | 0 | 3,900,000 | 100% |
| (3) Operating Costs (under Part C of the Project) | 0 | 500,000 | 100% |
| (4) Unallocated | 0 | 0 | |
| (5) Cancellation as of October 30, 2021 | 1,100,000 | 3,700,000 | |
| TOTAL AMOUNT | 53,800,000 | 9,700,000 | |

NEPAL
IDA Credit No. 5263-NP and IDA Grant No. H858-NP
Revised Withdrawal Schedule

| Category | Amount of the Credit Allocated (expressed in SDR) | Amount of the Grant Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|--|--|---|---|
| 1. Goods, Works, Non-consulting services and Consultants' services for Part B.3 of the Project | 23,600,000 | 500,000 | 100% |
| 2. Cancellation as of October 30, 2021 | 1,000,000 | 900,000 | |
| TOTAL AMOUNT | 24,600,000 | 1,400,000 | |