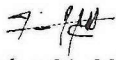


OFFICIAL  
DOCUMENTS

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

  
December 21, 2021

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

*Re: Nepal: Integrated Financial Management Reform Project  
(PFM Grant Nos. TF0A7474 and TF0A7475)  
Amendment to the Grant Agreement*

Dear Mr. Marasini:

We refer to the Grant Agreement (“Agreement”) between Nepal (“Recipient”) and the International Development Association (“World Bank”), acting as the administrator of Nepal Public Financial Management Multi-Donor Trust Fund Grant, dated August 24, 2018 for the above-referenced Project (“Project”), as amended. We also refer to the letters from the Ministry of Finance dated April 9, 2020 and November 14, 2021 requesting to change the timeline of submission of audit reports and include some activities into the scope of Project, which require certain amendments to the Agreement.

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

1. Schedule 1, Part 3 is deleted and replaced as follows:

**“Part 3. Improving Public Procurement**

Developing and professionalizing procurement capacity: (a) operationalizing and strengthening dedicated and functional procurement units in selected agencies; (b) strengthening selected agencies’ internal review processes; (c) designing and implementing long and short term training courses to policy level/entry civil servants, procurement officers, auditors and accountants, bidding communities, journalists, introducing international procurement accreditation programs and establishing other testing and certification programs; (d) engaging citizens in monitoring of public procurement, introducing behavioral change and improving communication with stakeholders; (e) building capacity of sub-national governments in framing local government procurement regulations, sharing effective procurement practices and making available certified public procurement trainers at local levels; (f) providing training to local level bidders to promote the use of standard bidding documents in Nepali language; (g) carrying out twinning arrangements, study tours and building capacity and training programs on procurement for procurement officials of selected agencies; (h) developing communication strategy and implementation action plan for promoting and raising awareness for public procurement; (i) support for uninterrupted functioning of e-GP system with compatible hardware and software to match the current increased demand and providing additional security to protect the system; (j) e-GP gap assessment; (k) development of Standard Bidding Documents, and procurement guidelines/technical guidance notes/manuals in English and Nepali languages; (l) development and operationalization of e-learning platform/portal/modules/mobile app; (m) activities related to consultation on review of Public Procurement Act (PPA) and Regulations (PPR); and (o) monitoring and evaluation of procurement performance of public entities at all levels of government.

2. Section II, C. 3. of Schedule 2 to the Grant Agreement is revised to read as follows:

“3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than nine (9) months after the end of such period.”

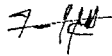
Except as specifically amended in this letter of amendment, all other provisions of the Agreement shall remain unchanged and in full force and effect.

The World Bank 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 with the foregoing amendment on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this letter. Upon receipt by the World Bank of the confirmation of this letter countersigned by you, the amendment will become effective as of the date of the countersignature.

Sincerely,

**INTERNATIONAL DEVELOPMENT ASSOCIATION**  
**acting as administrator of Nepal Public Financial Management Multi-Donor Trust Fund**



Faris H. Hadad-Zervos  
Country Director for Maldives, Nepal, and Sri Lanka

**AGREED**

**NEPAL**

By: MR Marasini

Name: Madhu kumar Marasini

Title: Secretary

Date: January 5, 2022