

Dr. Krishna Hari Pushkar
Secretary
Ministry of Finance
Government of Nepal
Singha Durbar, Kathmandu
NEPAL

Dear Dr. Pushkar:

***Nepal: Second Bridge Improvement and Maintenance Program (IDA Cr. 6317-NP)
Amendment to the Financing Agreement***

We refer to the Financing Agreement (“Financing Agreement”) between Nepal (“Recipient”) and International Development Association (“Association”) dated November 14, 2018, as amended, for the Second Bridge Improvement and Maintenance Program (“Program”). We also refer to the letter from the Recipient dated February 15, 2024, requesting reallocation of the proceeds of the Credit.

The Association proposes to amend the Financing Agreement as follows:

1. The definition for the term "Program Expenditures" in the Appendix is substituted to read as follows:

“Program Expenditures” means, for purpose of, inter alia, Sections 2.03 and 8.06 of the General Conditions, the payments for goods, works, services and salaries made under the following budget sub-heads or any corresponding budget sub-heads replaced and/or changed by the government, and any other budget sub-heads agreed in writing by the Association:
 - 33701108 Madan Bhandari Highway (From Bahundangi to Rupal)
 - 33701128 Postal Highway (Including Bridges)
 - 33701114 Pushpalal Highway (Mid-Hill Highway)
 - 33701125 Mahakali Bridge Project
 - 33701132 Bridge Construction and Maintenance under Strategic Road Network (SRN)
2. The withdrawal table in Section IV.A.1 of Schedule 2 has been revised as set forth in Attachment 1 to this letter.

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

Please confirm your agreement to the foregoing on behalf of Recipient by countersigning and dating the corresponding form of confirmation set forth below and returning one fully countersigned original of this amendment letter to the Association. The above amendment to the Financing Agreement shall become effective upon receipt by the Association of the duly countersigned copy of this amendment letter.


Sincerely,



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

AGREED:

NEPAL

By: 
Name: Krishna Hari Pushkar
Title: FS
Date: 13-Mar-2024

Attachment 1

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Amount of the Credit (expressed in SDR)	Disbursement Calculation Formula (as applicable)	Maximum Number of Meters on Which Disbursement Can Be Based	Minimum Number of Bridges Required for Disbursement to Occur	Percentage of Eligible Expenditures to be financed (inclusive of taxes)
(1) DLI #1: Major Bridge Maintenance (approximately 90 bridges)	DLR #1: Number of meters of Completed Bridges	11,843,335	SDR 2,077.778 per meter of the Completed Bridges that are maintained	5,700 meters	10 Completed Bridges per FY	Not applicable
(2) DLI#2: Road Safety Upgrades on Bridges (approximately 180 bridges)	DLR#2: Number of meters of Completed Bridges	12,450,000	SDR 1,556.250 per meter of the Completed Bridges that are upgraded	8,000 meters		Not applicable
(3) DLI #3: New Two-lane Bridge Construction, Rehabilitation and Replacement of Bridges (approximately 80 bridges)	DLR #3: Number of meters of Completed Bridges	27,665,000	SDR 6,287.500 per meter of the Completed Bridges that are constructed, rehabilitated or replaced	4,400 meters		Not applicable
(4) DLI#4: Construction of New Four-lane Bridges (approximately 35 bridges)	DLR #4: Number of meters of Completed Bridges	0	SDR 8,975.000 per meter of the Completed Bridges that are constructed	0 meters		Not applicable
(5) DLI #5: Completion of Backlog Bridges under Construction (approximately 92 bridges)	DLR #5: Number of meters of Completed Bridges	26,894,100	SDR 3,140.000 per meter of the Completed Bridges that are completed	8,565 meters		Not applicable
(6) DLI #6: Improved Fiduciary Governance of Design-build Contracting	DLR #6: Drafting and endorsement by the MoPIT of the revised Guidelines for Design Build Contracts to be submitted to the Public Procurement Monitoring Office of the Recipient for approval	1,400,000	SDR 1,400,000 once MoPIT has drafted and endorsed the revised Guidelines for Design Build Contracts to be submitted to the Public Procurement Monitoring Office of the Recipient for approval	Not applicable		Not applicable

(7) DLI#7: BSMS Monthly Monitoring on Program Worksites	DLR #7: 5,000 Eligible Entries	2,650,000	SDR 530 for every Eligible Entry up to a maximum of 5,000 Eligible Entries	Not applicable	Not applicable
(8) Goods, non-consulting, consulting services, Training and Incremental Operating Costs	Not applicable	1,072,565	Not applicable	Not applicable	100%
Cancellation as of March 25, 2022		10,725,000			
TOTAL AMOUNT		94,700,000			