

**The World Bank**  
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**Abdoulaye Seck**  
Country Director for Bangladesh and Bhutan

03-Apr-2024

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His Excellency Lyonpo Lekey Dorji  
Minister of Finance  
Ministry of Finance  
Royal Government of Bhutan  
Thimphu, Bhutan

Excellency:

***Re: Additional Financing: Bhutan Human Capital Recovery and Resilience Operation  
(GPE Grant Number: TF0C1597)  
Amendments to the Grant Agreement***

We refer to the Grant Agreement between the Royal Government of Bhutan ("Recipient") and the International Bank for Reconstruction and Development/ International Development Association ("Bank"), acting as administrator of Global Partnership for Education Multiplier Fund, dated August 2, 2023, for the above-mentioned Program ("Program"). We also refer to your letter dated January 29, 2024, requesting the Bank to restructure the Program.

We are pleased to inform you that the Bank concurs with the request and consequently the program is amended to read as set forth below:

1. Section IV.D. of Schedule 2 to the Grant Agreement is amended to read as follows:

"D. The Closing Date is June 30, 2026."

2. Schedule 3 (Disbursement Linked Indicators, Disbursement Linked Results and Allocation Amounts) to the Grant Agreement is amended and attached as Annex to this Amendment Letter.

3. A new definition for "Fiscal Year" is added under paragraph 10 of the Appendix to the Grant Agreement to read as follows and the subsequent paragraphs are renumbered accordingly:

"10. "Fiscal Year" means Recipient's fiscal year for the period from July 01 to June 30."

4. The following new definitions under paragraphs 15, 16, 17, and 18 are added to the Appendix to the Grant Agreement to read as follows and the subsequent paragraphs are renumbered accordingly:

- “15. “Period 1” means the first period of implementation from effectiveness to June 30, 2023, in order to achieve the results shown in the third column of the table in Schedule 4 to this Agreement.
16. “Period 2” means the second period of implementation during Fiscal Year 2023-24, in order to achieve the results shown in the fourth column of the table in Schedule 4 to this Agreement.
17. “Period 3” means the third period of implementation during Fiscal year 2024-25, in order to achieve the results shown in the fifth column of the table in Schedule 4 to this Agreement.
18. “Period 4” means the fourth period of implementation during Fiscal Year 2025-2026, in order to achieve the results shown in the sixth column of the table in Schedule 4 to this Agreement.”

Except as specifically amended in this Amendment Letter, all other terms and conditions of the Grant Agreement shall remain in full force and effect.

The Bank will disclose this Amendment Letter and related information in accordance with the Bank’s Policy on Access to Information. By agreeing to this Amendment Letter, the Recipient consents to disclosure of this Amendment Letter and related information.

Please confirm your agreement to the foregoing by signing the form of confirmation set forth below. This Amendment Letter shall become effective as of the date of the countersignature and upon receipt by the Bank of the duly countersigned Amendment Letter.

Sincerely,  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/  
INTERNATIONAL DEVELOPMENT ASSOCIATION

By Abdoulaye Seck  
Abdoulaye Seck  
Country Director, Bhutan

AGREED:  
KINGDOM OF BHUTAN

By: Lyonpo Lekey Dorji  
Authorized Representative

Name: Lyonpo Lekey Dorji

Title: Finance Minister

Date: 13-Apr-2024

## SCHEDULE 3

## DISBURSEMENT LINKED INDICATORS, DISBURSEMENT LINKED RESULTS AND ALLOCATED AMOUNTS\*

DISBURSEMENT LINKED INDICATORS (DLIs)	DISBURSEMENT-LINKED RESULTS (DLRs)				RESULTS TARGETED TO BE ACHIEVED IN PERIOD 4
	PRIOR RESULTS	RESULTS TARGETED TO BE ACHIEVED IN PERIOD 1	RESULTS TARGETED TO BE ACHIEVED IN PERIOD 2	RESULTS TARGETED TO BE ACHIEVED IN PERIOD 3	
<i>DLI #2: Expansion of ECCD in targeted population</i>				ECCD program expanded in rural areas, deprived and poor communities as measured by a 9% increase over the baseline.	
<i>Total Allocated Amounts:</i>				<b>Allocated Amounts: 500,000</b> <b>Scalability: Yes</b> <b>Disbursement Formula:</b> For every 0.6% increase over 6%, 100,000 amount.	
<i>DLI #3: ICT in education for learning recovery and improved access</i>		NA	NA	Reduction in the digital divide in rural areas by ensuring an increase by 40 rural schools will be equipped with local connectivity	

<b>Total Allocated Amounts:</b>		NA	NA	<b>Allocated Amount:</b> \$500,000  <b>Scalability:</b> No  500,000 on achievement of target	
<b>DLI 10:</b> <i>Improving safe water and sanitation facilities for primary and secondary school children</i>				Equip (i) 20 public Special Education Needs schools with inclusive WASH facilities and (ii) 40 public primary and secondary schools with proper WASH facilities	
				<b>Allocated Amount for (i)</b> \$750,000 <b>(ii)</b> \$750,000  <b>Scalability:</b> No	

\* The periods in which DLRs are expected to be achieved as per this Schedule are for indicative purposes, unless otherwise indicated. Achievement of DLRs can be obtained earlier or later than said periods up and until the Closing Date; provided that if any DLR, after signing, is met prior to the period in which such DLR is indicated for, the Borrower may, with prior agreement of the Bank, withdraw the amount corresponding to the extent of achievement of said DLR prior to the Period indicated in this Schedule.