February 20, 2017

H.E. U Kyaw Win
Union Minister
Ministry of Planning and Finance
Building No. 1
Nay Pyi Taw, Myanmar

Excellency:

Re: Essential Health Services Access Project
(IDA Credit No. 5542-MM)
Amendment to the Financing Agreement

We refer to the Financing Agreement dated February 5, 2015, as amended to date, between the Republic of the Union of Myanmar (the Recipient) and the International Development Association (the Association) for the Essential Health Services Access Project.

Further to our consultation and agreement to remove the requirement for procuring a firm as the independent Disbursement Linked Indicators (DLI) verification agent and to allow the partial advancing of DLI funds prior to their verification, as reflected in our last Aide-Memoire and Management Letter dated December 22, 2016, the Association hereby proposes to amend the above-mentioned Financing Agreement as follows:

1. Section I.E.1 of Schedule 2 to the Financing Agreement shall be amended to read as follows:

   "1. The Recipient shall appoint or designate an independent verification agent, with terms of reference and qualifications satisfactory to the Association, for the purpose of carrying out independent verifications of the status of achievement of all DLI Targets in accordance with the verification protocol and procedures set out in the Project Operations Manual."

2. Section IV.B.3 of Schedule 2 to the Financing Agreement shall be amended to read as follows:

   "3. Notwithstanding the provisions of Part B.1 (b) of this Section, the Recipient may withdraw as an advance under Category (1):

   (a) a first advance in an amount equivalent to 50% of the total DLI Values against the DLI Targets which are set to be achieved during a given Fiscal Year; and
(b) a further advance in an amount equivalent to the remaining 50% of the total DLI Values against the DLI Targets which are set to be achieved during such Fiscal Year; provided however that if any of the DLI Targets for such Fiscal Year, in the opinion of the Association, are not achieved or are only partially achieved by the relevant DLI Target Achievement Date, then: (a) the amount of the further advance for any subsequent Fiscal Year shall be reduced by an amount corresponding to the amount of the DLI Value(s) (or portion of such amount as applicable) of the unachieved or partially unachieved DLI Target(s); or (b) in the case any DLI Target(s) remaining unachieved or partially unachieved after the Closing Date, the Recipient shall refund to the Association the amount of all advances made under this paragraph 3 (a) and (b) corresponding to the amount of the DLI Value(s) (or portion of such amount as applicable) of the unachieved or partially unachieved DLI Target(s), promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded.”

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

Please confirm your agreement with the amendments set out above by countersigning the enclosed copy of this letter. Upon receipt by the Association of the countersigned copy of this letter, the amendments shall become effective as of the date of countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Ulrich Zachau

AGREED:
THE REPUBLIC OF THE UNION OF MYANMAR

By: ____________________________
Authorized Representative

Name: ____________________________

Title: (Si Si Pyone)
Deputy Director General
Treasury Department
Ministry of Planning and Finance