March 5, 2012

Her Excellency
Ms. Emilia Pires
Minister of Finance
Ministry of Finance
Palacio do Governo
Edificio 2, 1o andar
Dili
Democratic Republic of Timor-Leste

Re: Health Sector Strategic Plan Support Project
Financing Agreement
(Grant Number H343-TP)
Amendment Letter

Excellency:

We refer to the Financing Agreement (the “Agreement”) for the Health Sector Strategic Plan Support Project dated April 16, 2008, between the Democratic Republic of Timor-Leste (the “Recipient”) and the International Development Association (the “Association”).

We are pleased to inform you that, further to discussions between our staff, the Bank hereby agrees to amend the Agreement as follows:

3. Section IV of Schedule 2 to the Agreement is amended to read as follows:

“Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance five percent (5%) (inclusive of taxes) of Eligible Expenditures, consisting of goods, works, services, training and operating costs as of April 16, 2008.”
4. A new definition (number 16) for “operating costs” is added under the Appendix to the Agreement (to read as follows) and all existing definitions are renumbered accordingly:

16. “Operating Costs” means costs incurred by the MoH on account of the Project and reasonably related thereto: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) equipment and computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) office supplies and equipment; (v) bank and insurance charges; (vi) rent for office facilities; (vii) utilities and insurances; (viii) salaries of contracted support staff; (ix) travel and per diem costs for staff carrying out training, supervisory and quality control activities; but excluding salaries, fees and honoraria of the Recipient’s civil servants.”

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All terms of the Agreement not hereby amended shall remain in full force and effect.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Letter of Amendment, and returning it to the World Bank.

This Letter of Amendment shall become effective on the date of the Recipient’s countersignature.

Sincerely,

Ferid Belhaj
Country Director
Timor-Leste, Papua New Guinea
and Pacific Islands
East Asia and Pacific Region

AGREED:

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TIC RE
C OF TIMOR-LESTE

By: 

Name: EDILVA PIRES
Title: MINISTER FOR

Date: 4.4.12
CC:
H.E. Dr. Nelson Martins, Minister for Health and Director of Cooperation and External Funds
Dr. Odete Belo, MHM, Deputy Director for the Office of Cooperation and External Funding
Sr. Ivo Freitas, Head of Department of Partnership Management
Mr. Piero Cipollone, Executive Director, World Bank