Dear Mr. Bajaj:

INDIA: Additional Financing for the Karnataka Health System Development and Reform Project - Credit Number 5161-IN
Amendment to Financing Agreement

We refer to the Financing Agreement between the International Development Association (the Association) and India (the Recipient) dated November 21, 2012 (the Agreement) for the above-referenced project (the Project).

We also refer to the Recipient’s letter dated December 3, 2014 requesting a restructuring of the Project.

We are pleased to inform you that the Association concurs with the request, and proposes to amend the Agreement as set forth below subsequent to the request:

1. Part 2(b)(ii) of Schedule 1 is amended to read as follows:

“(ii) carrying out a program of activities designed to finance health care services for road accident trauma victims, studies and other activities to enhance financing of health services for poor populations and to support innovations in health financing.”

2. Part 3 of Schedule 1 is amended to read as follows:

“Part 3: Project Management, Monitoring and Evaluation

Supporting DOHFW through strengthening Project management and Project monitoring and evaluation.”

3. The table in Section IV.A.2 of Schedule 2 is amended to read as follows (emphasis added):
Amount of the Percentage of Financing Allocated Expenditures to be Category (expressed in SDR) Financed

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services and Operating Expenses</td>
<td>24,593,200</td>
</tr>
<tr>
<td>(2) Medical Insurance Claims:</td>
<td></td>
</tr>
<tr>
<td>(a) upon achievement of Milestone I</td>
<td>2,825,000</td>
</tr>
<tr>
<td>(b) upon achievement of Milestone II</td>
<td>2,825,000</td>
</tr>
<tr>
<td>(c) upon achievement of Milestone III</td>
<td>2,825,000</td>
</tr>
<tr>
<td>(d) upon achievement of Milestone IV</td>
<td>2,825,000</td>
</tr>
<tr>
<td>(e) upon achievement of Milestone V</td>
<td>3,535,600</td>
</tr>
<tr>
<td>(f) upon achievement of Milestone VI</td>
<td>3,535,600</td>
</tr>
<tr>
<td>(g) upon achievement of Milestone VII</td>
<td>3,535,600</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>46,500,000</td>
</tr>
</tbody>
</table>

4. Section IV.D of Schedule 2 is renumbered as Section IV.B, and the following new subparagraphs are added in the renumbered Section IV.B.1(b) of Schedule 2:

“(v) under Category (2)(e), unless Karnataka shall have achieved Milestone V, to the satisfaction of the Association, namely by completing an assessment of the frequency, geographic distribution, injury severity, insurance coverage and other relevant characteristics of road traffic accident casualties in Karnataka.

(vi) under Category (2)(f), unless Karnataka shall have achieved Milestone VI, to the satisfaction of the Association, namely by finalizing protocols for health care provided to road accident trauma victims, under Part 2(b)(ii) of the Project, including guidance on patient management for first responders, ambulance service, SAST, and hospital services, at different levels of injury severity.

(vii) under Category (2)(g), unless Karnataka shall have achieved Milestone VII, to the satisfaction of the Association, namely by empaneling at least 10 private and 5 public hospitals that offer services to treat road traffic injuries under Part 2(b)(ii) of the Project.”

5. Paragraph 19 of Section I (Definitions) of the Appendix is amended to read as follows:

“19. “Project Implementation Plan” and “PIP” mean Karnataka’s plan dated July 31, 2006, updated as of March 24, 2015, which sets out, inter alia, the Key Performance Indicators, details of all procedures, guidelines, timetables, institutional and implementation arrangements for carrying out of the Project by Karnataka, as such PIP may be updated from time to time in a manner satisfactory to the Association.”

All other provisions of the Agreement, except as amended herein, remain unchanged.
Please confirm your agreement to the foregoing by signing the form of confirmation set forth below, and returning one fully executed original of this amendment letter to us and retaining one original for your records. This amendment letter shall become effective as of the date of countersignature.

Sincerely yours,

Onno Ruhl
Country Director, India
South Asia Region

AGREED
INDIA

By: 
Name: (TARUN BAJAJ)
Title: JOINT SECRETARY (M1), DEA
Date: 07-04-2015
cc: Mr. Subhash Chandra Garg, Executive Director (India), World Bank  
Mr. L. K. Atheeq, Senior Advisor to Executive Director (India), World Bank  

Mr. Kaushik Mukherjee, Chief Secretary, Government of Karnataka (GoK)  
Mr. I.S.N. Prasad, Principal Secretary, Finance, Government of Karnataka (GoK)  
Mr. Atul Kumar Tiwari, Principal Secretary, Health and Family Welfare, Government of Karnataka (GoK)  
Project Administrator, KHSDRP, Government of Karnataka (GoK)  

Mr. Bhanu Pratap Sharma, Secretary, Ministry of Health and Family Welfare, Government of India (GoI)  
Mr. Bhaskar Dasgupta, Deputy Secretary, Department of Economic Affairs, Ministry of Finance, Government of India (GoI)