March 13, 2013

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

Health Sector Strategic Plan Support Project Multi-Donor Trust Fund Grant Agreement
(TF Number TF091653) Amendment Letter

Excellency:

We refer to the Multi-Donor Trust Fund Grant Agreement (the “Agreement”) for the Health Sector Strategic Plan Support Project dated March 25, 2008 (as amended), between the Democratic Republic of Timor-Leste (the “Recipient”) and the International Development Association (the “Association”), acting as administrator of the Multi-Donor Trust Fund for the Health Sector Strategic Plan Support Project.

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

1. The amount indicated in the preamble of the Agreement under WHEREAS (B) should be amended to read as follows:

   “AUD 33,700,000 and EUR 8,300,000”

2. The amount indicated in Section 2.01 of the Agreement is increased as follows:

   “USD 34,200,000”
3. Section 2.02(a) is amended to read as follows:

"Section 2.02. (a) The amount of the Multi-Donor Trust Fund Grant may be withdrawn from the Multi-Donor Trust Fund Grant Account for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of carrying out the project and to be financed out of the Multi-donor Trust Fund Grant. 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 ninety-five percent (95%) (inclusive of taxes) of Eligible Expenditures, consisting of Grants to Districts, goods, works, services, Training and Operating Costs as of March 25, 2008, until the proceeds of the Financing Agreement (H343-TP) are fully disbursed, and one hundred percent (100%) thereafter."

4. Section 2.03 is amended by extending the Closing Date until June 15, 2015.

5. Section 3.03 is amended to read as follows:

"3.03 (a) The Recipient shall maintain or cause to be maintained a Financial Management System in accordance with the provisions of Section 5.09 of the General Conditions.

(b) Without limitation on the provisions of Section 3.01 above, the Recipient shall prepare and furnish to the Association, not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

(c) The Recipient shall have its Project Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Project Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Project Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

(d) When using MoH's imrest system for District Subprojects the Recipient shall have its MoH Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the MoH Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited MoH Financial Statements for each such period shall be furnished to the Association not later than nine (9) months after the end of such period.

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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 upon its countersignature by the Recipient and on the date the Association notifies the Recipient of receipt by the Association of the revised Project Operations Manual, the amended and restated Financing Agreement and evidence that the four key staff in MoH (as per Section 1 A.2 (c) of Schedule 2 to the amended and restated Financing Agreement) as well as the Project Management Team have been successfully recruited and the Project Steering Committee has been established, all in form and substance satisfactory to the Association, whichever is later.

Sincerely,

Franz R. Drees-Gross  
Country Director  
Timor-Leste, Papua New Guinea  
and Pacific Islands  
East Asia and Pacific Region

AGREED:

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

By: MINISTRY OF Finance

Name: SANTINA J.R.F. VEGAS CARDOSO

Title: VICE - MINISTER

Date: 25 - 09 - 2013

CC:
H.E. Dr. Sergio Lobo, Minister for Health  
H.E. Dr. Maria do Céu Sarmento Pina da Costa, Vice Minister of Health for Management, Support and Resources  
Mr. Jose Dos Reis Magno, Director General, MoH  
Ms. Sonia Valaderes, Head of Department of Partnership Management, MoH  
Mr. Domingos Cruz, Project Portfolio Manager, MoH  
Mr. Piero Cipollone, Executive Director, World Bank