May 26, 2016

Senator Martin Dlamini  
Minister of Finance  
P.O. Box 443  
Mbabane  
Swaziland

Kingdom of Swaziland: Health, HIV/AIDS and TB Project  
(Loan No. 8019 SZ)  
Amendment No. 1 to Loan Agreement

Excellency:

We refer to the Loan Agreement ("Agreement"), dated December 14, 2011, between the Kingdom of Swaziland ("Borrower") and the International Bank for Reconstruction and Development ("Bank") for the Health, HIV/AIDS and TB Project ("Project"). We also refer to the Recipient's letters, dated December 2, 2014, and May 21, 2015, requesting the Bank to:  
(a) amend the Agreement to reflect additional implementation arrangements;  
(b) reallocate the Loan proceeds; and  
(c) extend the Closing Date of the Project.

We are pleased to inform you that the Bank agrees to your request and proposes to amend the Agreement as follows:

1. Schedule 1, new Part D is added to read as follows:

"Part D: Contingent Emergency Response Component

Support activities related to mitigating the impact of current El Niño induced drought on vulnerable groups such as orphans and vulnerable children, women, and the elderly. Such activities to include, inter alia: (i) management of acute malnutrition in affected areas; (ii) carrying out activities related to disease surveillance and response; (iii) emergency stock-piling of essential medicines and health commodities; (iv) capacity building to strengthen emergency response systems; (v) carrying out awareness raising, including the sensitization of affected communities on available social services; (vi) beneficiary identification and accountability; and (vii) psychosocial support to selected vulnerable groups."

2. Section 1.A.2 in Schedule 2 to the Agreement is amended to read as follows:

"2. Steering Committee (SC) and Sub-Steering Committee (SSC)

(a) The Borrower shall maintain during the implementation of the Project the SC and SSC, with mandate, resources and composition satisfactory to the Bank, chaired by the MOH Principal Secretary, and comprised of the Principal Secretaries from the DPM, the Borrower's Ministry of Economic Planning and Development, Ministry of Public Services, MoF and other relevant ministries, and senior managers from DPM and MOH, with the
participation of a representative of the European Union delegation in Mbabane as an observer.

(b) Without limitation to sub-paragraph (a) of this paragraph, the SC and SSC shall have overall responsibility for setting policies and for providing overall strategic guidance to the Project, including approval of the Annual Work Plan and Budget by the SSC. The SSC shall meet at least every six (6) months during Project implementation while the SC shall meet annually.

3. A new paragraph 7 is added in Section I.A of Schedule 2 to the Agreement to read as follows:

"7. Microprojects Programme (MPP)

(a) The Borrower shall maintain at all times during the implementation of the Project the Microprojects Programme (MPP) with a composition, mandate and resources satisfactory to the Bank.

(b) The MPP shall enter into a National Implementation Agreement, acceptable to the Bank, with the MOH for the purposes of carrying out small civil works under the Project

(c) Without limitation to sub-paragraph (a) of this paragraph, the MPP shall be responsible for carrying out small civil works identified under the Project, including the carrying out of the sub-contracting, procurement, implementation supervision, financial management and preparation of reports on such works and outcomes.

4. The table in Section IV.A.2 of Schedule 2 to the Agreement is deleted in its entirety and is replaced with the Annex to this Agreement.

5. The Closing Date in Section IV.B.2. is modified to read as March 31, 2018.

6. New paragraphs 53, 54, and 55 are added in the Appendix to read as follows:

"53. "National Implementation Agreement" means the agreement to be entered into between the MOH and the MPP for the purposes of carrying out small civil works under the Project, as the same may be amended from time to time, and such term includes all schedules to the said Agreement.

54. "Microprojects Programme" or "MPP" means the Borrower's agency under its Ministry of Economic Planning and Development established further to legal notice # 9 of 1999 of the legislation of the Borrower to implement small-scale community development projects, or any successor agency acceptable to the Bank.

55. "Sub-Steering Committee" or "SSC" means the Project's steering committee to be established by the Borrower, as referred in paragraph 2 of Section I.A of Schedule 2 to this Agreement."
All other provisions of the Agreement, except as amended herein, shall remain in full force and effect.

Please confirm your agreement to the amendment by countersigning, dating and returning to us the enclosed copy of this letter, while keeping one original for your records. This amendment shall become effective as of the date of countersignature of this letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Guang Zhe Chen
Country Director
Swaziland, Lesotho, Botswana, Namibia, South Africa, Zambia, Zimbabwe

AGREED:

KINGDOM OF SWAZILAND

By: **MARTIN G. DLMN**
Title: **MINISTER OF FINANCE**
Date: **30TH MAY 2016**
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil Works</td>
<td>8,382,000</td>
<td>51%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>3,318,000</td>
<td>51%</td>
</tr>
<tr>
<td>(3) Consultants' Services</td>
<td>4,418,000</td>
<td>51%</td>
</tr>
<tr>
<td>(4) Training</td>
<td>1,131,000</td>
<td>51%</td>
</tr>
<tr>
<td>(5) Grants under Part C(ii) of the Project</td>
<td>1,914,000</td>
<td>51%</td>
</tr>
<tr>
<td>(6) Operating Costs</td>
<td>787,000</td>
<td>51%</td>
</tr>
<tr>
<td>(7) Front-end Fee</td>
<td>50,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions</td>
</tr>
<tr>
<td>(8) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(9) Goods, Consultant Services, and Civil Works for Part D (except for Part A, Part B, and Part C of the Project)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>20,000,000</td>
<td></td>
</tr>
</tbody>
</table>