June 30, 2016

Mr. Kasper Thede Anderskov
Chief Finance Officer
Embassy of Denmark
P.O. Box 6332, Kathmandu
Nepal

Withdrawal from the Nepal Public Financial Management Support Multi-Donor Trust Fund (TF No. 071617)

Dear Mr. Anderskov:

1. We refer to the Administration Agreement, dated April 28, 2011, as amended (the "Administration Agreement"), between Government of the Kingdom of Denmark, represented by the Danish Ministry of Foreign Affairs (the "Donor") and the International Development Association ("IDA" or the "Association") concerning the Nepal Public Financial Management Support Multi-Donor Trust Fund (TF No. 071617) (the "Trust Fund"). Capitalized terms used but not defined in this letter have the meanings given to them in the Administration Agreement.

2. Pursuant to your communication dated June 20, 2016, informing the Bank of your desire to withdraw from the Trust Fund, it is agreed that:

   (a) In accordance with paragraph 9.3 of Annex 2 to the Administration Agreement, the Donor's pro rata share of any uncommitted balance of the Trust Fund is cancelled effective as of the date of countersignature by the Donor of this letter ("Cancellation Date").

   (b) Notwithstanding paragraphs 9.4 of Annex 2 to the Administration Agreement, the Donor hereby waives any rights to receive (i) its pro-rata share of any remaining uncommitted balance of the Trust Fund as of the Cancellation Date; (ii) its pro-rata share of any remaining balance of the Trust Fund as of the final end-disbursement date; and (iii) any funds that the Donor may be entitled to receive after the end-disbursement date of the Trust Fund. In addition, the Donor hereby instructs the Bank to transfer to IDA, as part of its contribution to the resources of the Association, any funds under (ii) and (iii) that may become available.

   (c) As of the Cancellation Date, the Donor shall have no further rights with respect to the Trust Fund including no rights to participate in any applicable governance arrangements of the Trust Fund, and the Bank shall have no further obligations to the Donor under the Administration Agreement, including no obligation to provide financial or progress reports.

3. The Bank will disclose this letter and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. The Donor hereby consents to the disclosure of this letter and related information on this Trust Fund.
Please confirm your agreement to the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Bigyan Pradhan
Acting Country Manager

CONFIRMED AND AGREED:

By:

Name: __________________________

Title: __________________________

Date: 20/6 - 16