June 29, 2015

His Excellency
Mr. Joaquim Vieira Ferreira Levy
Minister of Finance
Ministério da Fazenda - MF
Esplanada dos Ministérios, Bloco “P” – 5 Andar
70048-900, Brasília, DF
Brazil
Email: secretarias.df@fazenda.gov.br

His Excellency
Mr. Arthur Chioro
Minister of Health
Ministério da Saúde - MS
Esplanada dos Ministérios, Bloco “G”- 5 Andar
70058-900, Brasília, DF
Brazil
Email: ministro@saude.gov.br

IBRD-LN 7632 (Health Network Formation and Quality Improvement Project - QUALISUS-REDE Fase I)
First Amendment to the Loan Agreement

Excellencies,

We refer to the Loan Agreement for the above-captioned Project between the Federative Republic of Brazil ("Borrower") and the International Bank for Reconstruction and Development ("Bank"). Please note that capitalized terms used in this letter (the "Amendment Letter") and not defined herein have the meaning ascribed to them in the Loan Agreement.

We also refer to (i) the Borrower’s request dated March 14, 2014; (ii) the Commission for External Financing (COFIEX) letter of Recommendation No. 01/0247 dated April 9, 2014; and (iii) the National Treasure Secretariat letter No. 19 dated May 29, 2014, wherein a request was made to: 1) adjust the activities in Parts 1 and 2; and 2) reallocate loan proceeds among the disbursement Categories included in the table of Section IV A 2 of Schedule 2 to the Loan Agreement.

We are pleased to inform you that the Bank acknowledges your request and agrees to amend the Loan Agreement as follows:
1. Part 1 (c), (e), (g), (h), (i), (l), (m), (n), (o), (p), and (q) of Schedule 1 to the Loan Agreement are hereby deleted and Part 1 (a), (b), (d), (f), (j) and (k) are hereby modified. Part 1 of Schedule 1 is consequently amended to read in its entirety as follows:

“Part 1: Support the development of health care networks, with a focus on maternal and child health and emergency care, in priority health regions.

The activities to be carried out under Part 1 shall include, inter alia, the following:

(a) Configuration of RHCNs, with a focus on maternal and child health care and emergency health care, including territorial demarcation, definition of population, assessment of population’s health needs and disease priorities, as well as definition of delivery units and services.

(b) Establishment of governance arrangements and management structures for RHCNs.

(c) Design and implementation of monitoring and evaluation systems to measure, assess and improve performance of primary care health services.

(d) Organization and integration of patient flow administration, including patient transportation systems.

(e) Provision of support for investments on information and communication technologies for the coordination of care across RHCNs, including: (i) electronic systems such as population registration, medical records, and management information; and (ii) communication and logistic information technologies to support referrals, telemedicine and emergency systems.

(f) Provision of support for investments to upgrade and equip existing health facilities, as well as the procurement of medical and nonmedical equipment, furniture and patient transportation vehicles to support the development of RHCNs, with a focus on maternal and child health and emergency health care.”

2. Part 2 (c), (d), and (e) of Schedule 1 to the Loan Agreement are hereby deleted, and Part 2 (a), (b), and (f) are hereby modified. Part 2 of Schedule 1 is consequently amended to read in its entirety as follows:

“Part 2: Development and implementation of management technologies, logistics and analytical studies to support the organization of healthcare networks, with a focus on maternal and child health and emergency health care.

The activities to be carried out under Part 2 shall include, inter alia, the following:

(a) Development of analytical studies to support the establishment of national guidelines for implementation of RHCNs.
(b) Development of policies, strategies, instruments and systems to support the implementation of networks in the country through, inter alia: (i) the development of a national policy in support of RHCNs; and (ii) the development and testing of structures for RHCN governance.

(c) Development of mechanisms and instruments to support implementation of RHCN, with a focus on maternal and child health and emergency health care, as well as the provision of goods (information technology), training, travel expenses, and the provision of technical personnel at the regional level.”

3. The table of Section IV.A.2 of Schedule 2 to the Loan Agreement is hereby amended to read as set forth below:

<table>
<thead>
<tr>
<th>Allocation of Loan Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>1. Goods, Non-consultant Services and Training and Incremental Operational Costs (other than those under Category (3) below)</td>
</tr>
<tr>
<td>2. Consultant Services (other than those under Category (3) below)</td>
</tr>
<tr>
<td>3. RHCN Subproject Allocations disbursed by MOH’s Fund under each RHCN Subproject Agreement</td>
</tr>
<tr>
<td>4. Front-end fee</td>
</tr>
<tr>
<td>5. Unallocated</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Please confirm your agreement with the foregoing amendment by signing and dating the two originals of this Amendment Letter in the spaces provided below. Henceforward, all the provisions of the Loan Agreement except as amended through this Amendment Letter shall remain in full force and effect.

Upon confirmation, please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective as of the date first above written upon receipt by the Bank of one fully executed original of this Amendment Letter.
Please also note that the approved Restructuring Paper dated June 29, 2015 which is attached to this Amendment Letter, will be disclosed on the Bank’s external website.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By \[\text{Signature}\]
Deborah L. Wetzel
Director
Brazil
Latin America and the Caribbean Region

AGREED:

FEDERATIVE REPUBLIC OF BRAZIL

By: \[\text{Signature}\]
Authorized Representative

Name: MAURICIO CARDOSO OLIVA
Title: Attorney of the National Treasury
Date: 01/12/15
Cc: Mr. Antonio Henrique Pinheiro Silveira, Executive Director for Brazil, The World Bank
Ms. Rosalia V. de Leon, Alternate Executive Director for Brazil, The World Bank
Mr. Claudio Puty, Secretary of International Affairs, SEAIN/MP – Fax: 2020-5047, seain@planejamento.gov.br
Mr. Tarcísio José Massote de Godoy, Executive Secretary, MF – Fax: 3412-1824, gabinete.se.df@fazenda.gov.br
Ms. Miriam Mara Miranda, Chief of Staff, MF - Fax: 3412-2525, sec.chgabin.gmf@fazenda.gov.br
Ms. Adriana Queiroz de Carvalho, Attorney General, PGFN/MF – Fax: 3412-1740, adriana.carvalho@pgfn.gov.br
Mr. Marcelo Barbosa Sainive, Secretary, National Treasury, STN/MF – Fax: 3412-1717, gab.df.stn@fazenda.gov.br
Mr. Luis Antonio Balduino Carneiro, Secretary, SAIN/MF – Fax: 3412-1722, gabinete.df.sain@fazenda.gov.br
Mr. Dyogo Henrique de Oliveira, Executive Secretary, MP – Fax: 2020-5003, se@planejamento.gov.br
Ms. Ana Paula Sóter, Executive Secretary, Ministry of Health, SE/MS – Fax: 3315-3886, gab.se@saude.gov.br
Ms. Fabiola Sulpino Vieira, Director, Ministry of Health, DESID/SE/MS, Fax – 3315-3886, fabiola.vieira@saude.gov.br