Dear Mr. Minister:

Health Sector Reform Project – Phase II (Loan No. 4760-RO)

Fifth Amendment to the Loan Agreement

We refer to the Loan Agreement between Romania (the Borrower) and the International Bank for Reconstruction and Development (the Bank), for the above-referenced Project, dated January 28, 2005 (the Loan Agreement), as amended and your letters dated September 23, 2010 and November 19, 2010, requesting certain amendments to the above mentioned Loan Agreement.

We concur with your request and hereby agree to amend the Loan Agreement as follows (the modifications are shown in *italics*):

1. **Article II, Section 2.03 of the Loan Agreement** is amended as follows (modifications are shown in *italics*):

   “Section 2.03. The Closing Date shall be December 15, 2012, or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.”

2. A **new table to Schedule 1 of the Loan Agreement** is introduced as set out in Annex 1 to this letter.

3. **Schedule 2** of the Loan Agreement is amended as follows:

   3.1. In **Part E** a new sub-paragraph 3 is modified to read as follows:

   “3. Provision of technical assistance to assist the MOH in the preparation and implementation of (i) the National Strategy for Hospital and Sanitary System Rationalization of the Borrower and (ii) the action plan related to the law No. 220 of November 28, 2011 modifying Law 95/2006 on health reform.”
The revised Supplemental Letter is provided separately.

All other terms and conditions of the Agreement, except as amended herein, remain unchanged.

Please confirm your agreement with the foregoing, on behalf of Romania, by signing, dating and returning to us the enclosed copy of this letter. This amendment will become effective upon the date of your countersigning of this letter.

Sincerely,

/s/ Peter Harrold
Director
Central Europe and the Baltic Countries
Europe and Central Asia Region

AGREED:

ROMANIA

By /s/ Bogdan Dragoi
Authorized Representative

Title Secretary of State

Date December 15, 2011

cc: H.E. Attila Cseke
Minister of Health
Ministry of Health
Bucharest, Romania

Mr. Raed Arafat
Undersecretary of State
Ministry of Health
Bucharest, Romania

Mr. Bogdan Dragoi
Secretary of State
Ministry of Public Finance
Bucharest, Romania

Mrs. Angela Carabas  
Director General  
Ministry of Public Finance  
Bucharest, Romania

Mr. Ruud Treffers  
Executive Director  
World Bank
Annex 1

**SCHEDULE 1**

Withdrawal of the Proceeds of the Loan

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in Euro)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Dispatch equipment</td>
<td>2,850,059</td>
<td>100% of foreign expenditures, 100% of local expenditures (ex- factory) and 80% of local costs for other items procured locally</td>
</tr>
<tr>
<td>(2) Goods (other than dispatch equipment)</td>
<td>30,412,960</td>
<td>100% of foreign expenditures, 100% of local expenditures (ex- factory) and 80% of local costs for other items procured locally</td>
</tr>
<tr>
<td>(3) Consultant’s services (including audit)</td>
<td>999,742</td>
<td>75% of expenditures incurred by local consultants; and 85% of expenditures incurred by foreign consultants</td>
</tr>
<tr>
<td>(4) Training</td>
<td>80,218</td>
<td>100% of foreign expenditures and 75% of local expenditures</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Loan Allocated (Expressed in Euro)</td>
<td>% of Expenditures to be Financed</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>(5) Sub-loans under Part C.2 of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Works</td>
<td>338,865</td>
<td>80%</td>
</tr>
<tr>
<td>(7) Operating costs</td>
<td>414,764</td>
<td>45%</td>
</tr>
<tr>
<td>(8) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(9) Goods, dispatch equipment, Consultant services (including audit),</td>
<td>30,003,392</td>
<td>74%</td>
</tr>
<tr>
<td>training, works and operating costs as of November 26, 2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>65,100,000</td>
<td></td>
</tr>
</tbody>
</table>