December 19, 2016

Dr. Shanta Raj Subedi
Secretary
Ministry of Finance
Government of Nepal
Singh Durbar, Kathmandu

Dear Dr. Subedi:

Nepal: Nepal-India Electricity Trade and Transmission Project
(IDA Credit No. 4902-NP and Grant No. H660-NP) and
Additional Financing for Nepal-India Electricity Transmission and Trade Project
(IDA Credit No. 5263-NP and Grant No. H858-NP)
Amendment to the Financing Agreement and Extension of Closing Date

We refer to the Financing Agreement between Nepal (the “Recipient”) and the International Development Association (the “Association”) dated July 15, 2011 as amended (the “Financing Agreement”) and the Financing Agreement between the Recipient and the Association dated September 11, 2013 (the “Additional Financing Agreement”) for the Nepal India Electricity Transmission and Trade Project (the “Project”).

We further refer to your letters dated October 5, 2016 and December 14, 2016, requesting the Association to extend the Closing Date of the Project and amend the Financing Agreement and the Additional Financing Agreement.

We are pleased to inform you that, after due consideration, the Association accedes to your request. Accordingly, the Association hereby:

(i) established June 30, 2018 as the later date for purposes of Section IV.B.2 of Schedule 2 to the Financing Agreement and the Additional Financing Agreement; and

(ii) delete Part B.2 of Schedule 1 to the Financing Agreement,

Except as specifically amended in this letter of amendment, all other provisions of the Financing Agreement and the Additional Financing Agreement shall remain unchanged and in full force and effect.

The Association will disclose this letter of amendment and related information in accordance with the Association’s Policy on Access to Information. By entering into this letter of amendment, the Recipient consents to such disclosure.

Nepal Country Office, Yak & Yeti Hotel Complex, Durbar Marg, Kathmandu, Nepal
P.O. Box 798, Phone: +977 1 4236000/4226792/4439571 Fax: +977 1 4225112
Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully countersigned original of this letter to us. Upon receipt by the Association of the original of this letter of amendment countersigned by you, this letter of amendment will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Yakuya Kamata
Country Manager

AGREED:
NEPAL

By: [Signature]
Name: Brikusha Aryal
Title: Joint Secretary
Date: 26 December 2016