

May 18, 2017

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

Dear Dr Subedi:

**Re: Amendment to the Letter of Intent**

We refer to the Letter of Intent between the International Bank for Reconstruction and Development (“**IBRD**”) acting as the trustee (“**Trustee**”) of the Carbon Fund of the Forest Carbon Partnership Facility (“**Carbon Fund**”) and Nepal (“**Program Entity**”) and together referred to as “**Parties**”) dated June 3, 2015 (“**Letter of Intent**”) with respect to the ‘People and Forests - An SMF-Based Emission Reduction Program in Nepal’s Terai Arc Landscape’ in Nepal. Capitalized terms used in this amendment letter shall have the same meaning ascribed to them in the Letter of Intent.

1. The Parties agree to herewith amend the Letter of Intent as follows:

- (a) The Exclusivity Period specified in Section 3.1 of the Letter of Intent shall be extended from twenty four (24) months to forty (40) months.
- (b) Section 7.2 of the Letter of Intent shall be deleted in its entirety and replaced as follows:

“7.2 If the Emission Reductions Payment Agreement (ERPA) Negotiation Period has not started within thirty four (34) months from the date of this Letter of Intent, the Trustee may, at its sole and absolute discretion, either terminate this Letter of Intent and the understandings it provides or extend the deadline provided in this Clause 7.2.”

- 2. In the event that the participants of the Carbon Fund have not approved the proposed extension of the Exclusivity Period (see above para 1.(a)) by June 30, 2017, this amendment letter shall be deemed null and void and the Letter of Intent shall terminate with immediate effect. In the event that the participants of the Carbon Fund only approve an extension of the Exclusivity Period that is shorter than the extension provided for above in para. 1.(a), the Parties shall further amend the Letter of Intent to reflect such approved shorter extension period. The Trustee shall promptly notify the Program Entity of the corresponding decision made by the participants of the Carbon Fund.

3. Unless expressly provided for otherwise in this amendment letter, all other provisions of the Letter of Intent shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing amendment letter by countersigning the received copies in the spaces provided below and return it to me. Following your countersignature, the provisions of this amendment letter shall become effective on the date of this letter.

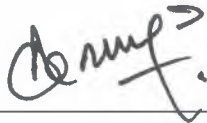
Sincerely,



Takuya Kamata  
Country Manager

**AGREED AND CONFIRMED:**

**On behalf of Nepal, represented by its Ministry of Finance:**



(Authorized Signatory)



Name: Baikuntha Aryal

Title: Joint Secretary

Date: 31 May 2017