H.E. Ch. Khurelbaatar  
Minister of Finance  
Ministry of Finance  
Government Building II  
S. Danzan Street 5/1 Building D  
Ulaanbaatar, 15160

April 27, 2020

Excellegcy:

Re: Mongolia: Third Sustainable Livelihoods Project – Credit No. 5487-MN  
Amendment to the Financing Agreement

I refer to: (a) the Financing Agreement dated January 30, 2015, as amended on September 21, 2017 (“Financing Agreement”) between Mongolia (the “Recipient”) and the International Development Association (the “Association”) for the Third Sustainable Livelihoods Project (the “Project”); and (b) the Recipient’s request for an extension of the Closing Date under the Financing Agreement as recorded in the Agreed Minutes of Technical Discussions between the Recipient and the Association regarding the Additional Financing for Third Sustainable Livelihoods Project dated March 18, 2020.

I am pleased to inform you that the Association concurs with your request and:

(A) has established October 31, 2022 as the later date for purposes of paragraph 2 of Section IV.B of Schedule 2 to the Financing Agreement; and

(B) hereby proposes to amend the Financing Agreement to reflect modifications to the Project description supported by the additional financial assistance as follows:

1. The description of the Project under Schedule 1 to the Financing Agreement shall be amended to read as follows:

Part 1: Capacity Building for Local Governance and Livelihoods

(a) Provision, to local authorities and communities, of training and technical assistance related to the implementation of the Local Development Fund, in the areas of medium-term planning, community participation, budget preparation and adoption, budget execution including procurement and supervision, reporting, monitoring and evaluation and pastureland planning and management.

(b) Provision of technical assistance to the central public administration organizations in charge of economic and finance issues related to the development and implementation of the Local Development Fund.

Part 2: Good Governance Performance-Based Support Program

(a) Provision of Good Governance Performance-Based Financing to eligible Soums for the financing of eligible activities under the Local Development Fund.
(b) Carrying out of annual performance assessments of Soums for the purposes of determining the allocation of Good Governance Performance-Based Financing.

(c) Provision of trainings to Good Governance Performance Assessment Teams.

(d) Provision of technical and operational support to the Local Development Fund.

**Part 3: Project Management and Monitoring and Evaluation**

Provision of technical and operational assistance and capacity building for implementation of the Project, including: (a) technical and operational support for implementation of the Sustainable Livelihoods Program through: staff training, information dissemination, monitoring and evaluation, financial management, and audit of the Project; and (b) carrying out thematic studies on selected operational aspects of the Local Development Fund; and (c) development, and rolling-out the application, of a management information system for the Local Development Fund.

Except as specifically set out in this letter, all terms and conditions in the Financing Agreement remain unchanged.

Please confirm your agreement with the amendments under paragraph (B) above to the foregoing on behalf of the Recipient by signing and dating the form of confirmation set forth below, and returning one fully countersigned original of this amendment letter to us and retaining one original for your records. Upon receipt by the Association of the countersigned copy of this letter, this amendment (except for the provision related to the extension of the Closing Date under paragraph (A) above, which shall become effective upon dispatch of this amendment letter to the Recipient) shall become effective as of the date of the countersignature.

Yours sincerely,

Authorized Representative

CONFIRMED AND AGREED:
MONGOLIA

By: [Signature]
Name: Ch.Khurelbaatar
Title: Minister for Finance
Date: April 27, 2020