Dear Mr. Janjughazyan,

We refer to the Financing Agreement ("Financing Agreement") between the Republic of Armenia ("Recipient") and the International Development Association ("Association") dated May 23, 2014, as amended, for the Social Protection Administration II Project.

We also refer to your letter dated November 28, 2019, requesting the Association to amend the Financing Agreement to move the fiduciary function from the Project Implementation Department ("PID") to the Ministry of Labor and Social Affairs (MLSA) of the Republic of Armenia. Please note that unless the context otherwise requires, the capitalized terms used in this Agreement has the meanings ascribed to them in the General Conditions or in the Financing Agreement.

In light of the above, we propose to amend the Financing Agreement as follows:

1. Section I.A.1(b) of Schedule 2 to the Loan Agreement is hereby modified to read in its entirety as follows:

   "(b) Designate the PCU, a unit within the MLSI as the Project Coordination Unit with the responsibility of fiduciary aspects of the Project (including procurement and financial management), general technical coordination, preparation, implementation, monitoring and evaluation of Project activities, and ensure that the PCU has, at all times adequate the capacity and resources to fulfill its responsibilities with respect to Project implementation.

2. Section I.A.(c) of Schedule 2 to the Loan Agreement is hereby deleted.

3. The definition of PID in the Appendix of the Loan Agreement is hereby deleted.

4. The acronym PIU throughout the Financing Agreement is hereby replace by the acronym PCU.

5. All other terms of the Financing Agreement will remain the same.
Please confirm your agreement on behalf of the Recipient with the above amendments by signing, dating and returning to us one of the original copies of this Amendment Letter. The Amendment Letter shall become effective on January 1, 2020 upon receipt of a countersigned Amendment Letter.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Sebastian Molineus
Regional Director for the South Caucasus

CONFIRMED AND AGREED:

REPUBLIC OF ARMENIA

By: [Signature]
Authorized Representative

Name: Atom Tzayghazyan
Title: Minister of Finance
Date: December 26, 2019