Carlos Enrique Cáceres Chávez
Ministro de Hacienda
Ministerio de Hacienda
Boulevard de los Héroes 1231
San Salvador, El Salvador

Re: REPUBLIC OF EL SALVADOR: Loan No. 7811-SV
(Income Support and Employability Project)
Second Amendment to the Loan Agreement

Excellency:

Please refer to the Loan Agreement entered into between the Republic of El Salvador (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) on July 19, 2010 (the “Loan Agreement”). In this Amendment Letter, all the terms defined in the Loan Agreement have the same meaning as therein set forth. Thenceforward, all other provisions of the Loan Agreement, except as amended through this letter, shall remain in full force and effect.

We are pleased to inform you that pursuant to your letter dated July 19, 2011 and our recent discussion on the subject, the Bank hereby proposes to amend the Loan Agreement as follows:

1. Table of Section IV A. 2 of Schedule 2 to the Loan Agreement is hereby amended to read in its entirety as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) PATI Grants and Management Expenses under Part A.1 of the Project</td>
<td>26,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Non-Consultant services, Operating Costs, and Training under Part A of the Project</td>
<td>4,760,000</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Loan Allocated (expressed in Dollars)</td>
<td>Percentage of Expenditures to be financed (inclusive of Taxes)</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(3) Outputs under Part A.2 of the Project</td>
<td>6,200,000</td>
<td>70%</td>
</tr>
<tr>
<td>(4) Goods, Non-Consultant Services, consultants’ services, Operating Costs, and Training under Part B of the Project</td>
<td>10,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Goods, Non-Consultant services, consultants’ services, Operating Costs, and Training under Part C of the Project</td>
<td>2,040,000</td>
<td>100%</td>
</tr>
<tr>
<td>FRONT-END FEE</td>
<td>125,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(7) Unallocated</td>
<td>175,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>50,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. The definition of “Operating costs” included in paragraph (b) of Section IV A. 2 of Schedule 2 to the Loan Agreement is hereby amended and replaced to read in its entirety as follows:

“The term “Operating Costs” means the reasonable incremental expenses incurred on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, office administration costs, utilities, travel, per diem, and salaries of the Borrower’s staff employed for purposes of working in Project coordination and management activities.”

Please confirm your agreement with the foregoing amendments by signing and dating this Amendment Letter in the spaces provided below, and returning one countersigned original to us.

This Amendment Letter shall be executed in two counterparts, each of which shall be an original.

The provisions of this Amendment Letter will become effective as of the date of the countersignature upon receipt by the Bank of one fully executed original of this Amendment Letter.
Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By: C. Felipe Jaramillo
    Director
    Central America
    Latin America and the Caribbean Region

AGREED AND CONFIRMED:

REPUBLIC OF EL SALVADOR

By: (Authorized Representative)

Name: Carlos Enrique Cáceres Chávez
      MINISTRO DE HACIENDA

Title: 

Date: 20 de marzo de 2012