Agreement Amending Development Financing Agreement

(Flood Emergency Rehabilitation Project)

between

REPUBLIC OF DJIBOUTI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 26, 2007
AGREEMENT AMENDING DEVELOPMENT FINANCING AGREEMENT

AGREEMENT, dated April 26, 2007, between REPUBLIC OF DJIBOUTI (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Financing Agreement (Flood Emergency Rehabilitation Project), dated October 2, 2004 (the Development Financing Agreement), for the purpose of providing support during the execution of the Flood Emergency Rehabilitation Project, as described in the Recital of the Development Financing Agreement (the Project);

(B) the Borrower has requested the Association to provide further additional assistance in the support of the Project by increasing the amount made available under the Development Financing Agreement by an amount in various currencies equivalent to one million four hundred thousand Special Drawing Rights (SDR 1,400,000); and

WHEREAS (C) the Association has agreed, on the basis, inter alia, of the foregoing, to provide such additional assistance to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Amendments to the Development Financing Agreement

Section 1.01. Section 1.02 of the Development Financing Agreement is amended by deleting the “and” at the end of Subsection (k), substituting “; and” for “;” at the end of Subsection (l), substituting “;” at the end of subsection (l) for “;” and “and” and adding a new Subsection (m) as follows:


Section 1.02. Section 2.01 of the Development Financing Agreement is amended to read as follows:
“Section 2.01. The Association agrees to make available to the Borrower, on the
terms and conditions set forth or referred to in this Agreement:

(a) an amount in various currencies equivalent to two million two hundred
thousand Special Drawing Rights (SDR 2,200,000) (the Credit); and

(b) an amount in various currencies equivalent to three million six hundred
thousand Special Drawing Rights (SDR 3,600,000) (the Grant);

which includes: (a) an original amount in various currencies equivalent to four million
four hundred thousand Special Drawing Rights (SDR 4,400,000) (the Initial Financing);
and (b) an additional amount, as grant, in various currencies equivalent to one million
four hundred thousand Special Drawing Rights (SDR 1,400,000) (the Additional
Financing).”

Section 1.03. The Closing Date in Section 2.03 of the Development Credit
Agreement is amended to read “September 30, 2008.”.

Section 1.04. A proviso is added at the end of Section 2.04(b)(i) of the
Development Financing Agreement reading as follows:

“; provided however that the commitment charge on the Additional Financing
shall accrue from a date sixty (60) days after the date of the Amending Agreement.”

Section 1.05. Paragraph 1 and the Table in Schedule 1 to the Development
Financing Agreement is hereby revised as indicated in the Annex 1 to this Amending
Agreement.

Section 1.06. All other provisions of the Development Financing Agreement,
including Schedules 2, 3 and 4 shall remain in full force and effect.

ARTICLE II

Effective Date; Termination

Section 2.01. This Amending Agreement shall not become effective until
evidence satisfactory to the Association shall have been furnished to the Association that
the execution and delivery of this Amending Agreement on behalf of the Borrower have
been duly authorized or ratified by all necessary governmental action.

Section 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of
this Amending Agreement, there shall be furnished to the Association an opinion or
opinions satisfactory to the Association of counsel acceptable to the Association showing,
on behalf of the Borrower, that this Amending Agreement has been duly authorized or
ratified by, and executed and delivered on behalf of, the Borrower and is legally binding
upon the Borrower in accordance with its terms.

Section 2.03. This Amending Agreement shall come into force and effect on the
date upon which the Association shall dispatch to the Borrower notice of its acceptance
of the evidence required by Section 2.01 of this Amending Agreement.

Section 2.04. If this Amending Agreement shall not have come into force and
effect by a date ninety (90) days after the date of this Amending Agreement, this
Amending Agreement and all obligations of the parties hereunder shall terminate, unless
the Association establishes a later date for the purposes of this Section. If this Amending
Agreement shall terminate under the provisions of this Section, the Development
Financing Agreement shall continue in full force and effect, as if this Amending
Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly
authorized representatives, have caused this Amending Agreement to be signed in their
respective names in the District of Columbia, United States of America, as of the day and
year first above written.

REPUBLIC OF DJIBOUTI

By /s/ Robleh Ohlaye
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Theodore O. Ahlers
Acting Regional Vice President
Middle East and North Africa Region
ANNEX 1

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Financing, the allocation of the amounts of the Credit and the Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit under the Initial Financing (Expressed in SDR Equivalent)</th>
<th>Amount of the Grant under the Initial Financing (Expressed in SDR Equivalent)</th>
<th>Amount of the Grant under the Additional Financing (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>1,850,000</td>
<td>850,000</td>
<td>1,320,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>0</td>
<td>1,000,000</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services and training</td>
<td>225,000</td>
<td>225,000</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(4) ADETIP Fees</td>
<td>125,000</td>
<td>125,000</td>
<td>80,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,200,000</td>
<td>2,200,000</td>
<td>1,400,000</td>
<td></td>
</tr>
</tbody>
</table>