Ref: WB/CD/377/11/07/2014

H.E. Ato Sufian Ahmed
Minister
Ministry of Finance and Economic Development
Addis Ababa

Dear Ato Sufian,

Grant for the Ethiopia Productive Safety Net Program (APLIII)
(Multi Donor Trust Fund Grant No. TF099450)
Amendment No. 5 to Letter Agreement

We refer to the Letter Agreement ("Agreement"), dated June 14, 2011, as amended to date, between the International Development Association ("IDA" or "World Bank"), acting as an administrator of grant funds provided by various donors under the Multi Donor Trust Fund ("MDTF") for the co-financing of Ethiopia Productive Safety Nets Program ("PSNP" or "Program") and the Federal Democratic Republic of Ethiopia ("Recipient").

We also refer to our recent discussion to revise the financial reporting arrangements for the MDTF. Therefore, we propose to amend Section 2.05 of the Annex to the Agreement as follows:

"2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions."
(b) The Recipient shall, through MoFED, prepare and furnish to the Association, in form and substance satisfactory to the Association, and not later than two (2) months after the end of each quarter of the EFY, interim un-audited financial reports, for each of the respective Parts of the Project covering the period.

(c) The Recipient shall, through MoFED, have the Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. The first audit shall cover the period up to the end of the EFY 2002 (period ending July 7, 2010). Thereafter, each audit of the Financial Statements shall cover the period of one (1) EFY of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period. In addition, the Recipient shall, through MoFED cause the program auditor to audit, on a continuous basis, samples of Woredas that have received funds; and moreover, through MoFED, cause the auditor to provide the World Bank with interim audit reports for the semester ending January 7, within four (4) months at the end of each such semester of the EFY.

(d) Without limitation upon the provisions of paragraph (c) above, the Recipient, through MoARD, shall, as part of the audit of the Financial Statements have the commodity flow and status reports (statements) for the Project audited in form and substance satisfactory to the World Bank. The first such audit shall cover the period up to the end of the fiscal year 2002 (period ending July 7, 2010). Thereafter, each audit of the commodity flow and status reports (statements) shall cover the period of one fiscal year of the Recipient. The audited commodity flow and status reports (statements) for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period."

All other provisions of the Agreement, except amended herein, shall remain unchanged.
Please indicate your agreement with the foregoing, on behalf of the Recipient, by countersigning and dating the form of confirmation on the two original copies of this letter provided and returning one original, as countersigned, to us. Upon receipt by the World Bank of the copy of this letter countersigned by you, this amendment shall become effective as of the date of countersignature of this letter by you.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Guang Z. Chen
Country Director for Ethiopia
Africa Region

AGREED:

ON BEHALF OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By:
Authorized Representative

State Minister

Date: ___________________________