H.E. Saad Ali Shire  
Minister of Finance  
Government of Somaliland  
Hargeisa, Somaliland

Somaliland: Civil Service Strengthening Project  
SMFP Grant Numbers TF0A2810 and TF0A7321  
Amendment No. 2 to the Grant Agreement

Excellency:

We refer to the Grant Agreement (the “Grant Agreement”) between the Government of Somaliland (the “Recipient”) and the International Development Association (the “Bank”) acting as administrator of Somalia Multi-Partner Fund (“SMFP”), dated July 29, 2016. We also refer to Amendment No. 1 to the Grant Agreement, dated May 30, 2018, in which an Additional Amount was provided to the Recipient under TF0A7321.

We are pleased to inform you that the World Bank, after due consideration, has agreed to provide an additional amount for the Project, and amend the Grant Agreement.

1. Section 3.01 of the Financing Agreement is hereby deleted and replaced with the following:

"3.01 The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to seven million United States Dollars (7,000,000) ("Grant"), which consists of: (an amount equal to two million five hundred thousand United States Dollars ($2,500,000) ("Original Amount"); and an amount equal to four million five hundred thousand United States Dollars ($4,500,000) ("Additional Amount") to assist in financing the Project.

2. Part D of Schedule 1 to the Financing Agreement is hereby deleted and replaced with the following:

"Part D: Management and Support Delivery

Strengthening the capacity for management, coordination, and monitoring and evaluation of the project, in particular:

1. Strengthening the capacity for Project management and monitoring and evaluation, including: (a) developing PCU as a central coordination unit, and building the capacity of
said PCU for coordination, communication, management, implementation, supervision and monitoring and evaluation of Project activities; (b) hiring an independent monitoring and evaluation consultant, and independent verification of disbursement-linked indicators (DLIs); (c) conducting a retreat or workshop designed to facilitate trust and consensus building, and piloting results-based strategic planning and delivery approaches; and (d) provision of the PCU’s Operating Costs.

3. The table set forth in Section IV.A.2 of Schedule 2 to the Financing Agreement is hereby deleted and replaced with the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Amount of the Grant Allocated (expressed in USD) Supplemental</th>
<th>Percentage of the Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF0A2510</td>
<td>2,205,000</td>
<td>1,500,000</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td>(1) Goods, non-consulting services, and consultants’ services under Part A of the Project</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Eligible Expenditure Program under Part B.2 of the Project:</td>
<td>150,000</td>
<td></td>
<td>100% of DLI values for results achieved</td>
</tr>
<tr>
<td>(a) First scheduled disbursement (on or about November 30, 2016, or on the Effective Date, if said date is later than November 30, 2016)</td>
<td></td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>(b) Second Scheduled disbursement (on or about October 15, 2018)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Goods, non-consulting services, and consultants’ services under Part B.1 and B.3 of the Project</td>
<td>50,000</td>
<td>800,000</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td>(4) Goods, non-consulting services, and consultants’ services under Part C of the Project</td>
<td></td>
<td>300,000</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td>(5) Goods, non-consulting services, consultants’ services, Operating Costs and Training under Part D of the Project</td>
<td>95,000</td>
<td>1,500,000</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td></td>
<td>2,500,000</td>
<td>4,500,000*</td>
<td></td>
</tr>
</tbody>
</table>

3. All other terms of the Grant Agreement shall remain the same.

4. We propose that this letter shall constitute an amendment to the Grant Agreement between the Recipient and Bank (the “Amendment”). Please confirm your acceptance to the foregoing, on behalf of the Recipient, by countersigning and dating the two originals, retaining one original for your records and returning the other original to the Bank. Upon receipt by the Bank of the original Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.
Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Bella Bid
Country Director for Tanzania, Burundi, Malawi and Somalia
Africa, Region

CONFIRMED AND AGREED:

GOVERNMENT OF SOMALILAND

By: [Signature]
Authorized Representative

Name: D'SAND A SHIRE

Title: MINISTER, FINANCE

Date: 24/3/2015