Hon. Hussein A Halane  
Minister of Finance  
Villa Somalia  
Mogadishu

SOMALIA: Recurrent Cost and Reform Financing Project - Phase 1  
(SMPF Grant Number TF017917)

Amendment to the Grant Agreement

Honorable Halane:

1. We refer to the Grant Agreement (the "Agreement") between the Federal Republic of Somalia (the "Recipient") and the International Development Association (the "World Bank") dated August 19, 2014, with respect to the above-captioned Project, as amended. We also refer to the Recipient’s letter dated January 4, 2015, requesting: (i) changes to the Project activities, (ii) a reallocation of the proceeds of the Grant, and (iii) an extension of the Closing Date.

2. The Association and the Recipient hereby agree to amend the Agreement as follows:

   A. Part B of Schedule 1 is deleted and replaced with the following:

   “PART B: Strengthening Systems for Expanded Operations and Service Delivery

   1. Technical assistance for assessment, review and analysis of salaries of civil servants in Puntland, Jubaland and other regions within Somalia.

   2. Technical assistance for assessment, review and analysis of teachers and civil servants in the health sector including developing databases and detailed guidelines for the payment of salaries, updating the education and health sector pay roll, developing mechanisms for the maintenance, regular update and security of the databases and supply of equipment.

   3. Providing technical assistance to the office of the Accountant General for fiduciary management.”

   B. The proceeds of the Grant allocated in the table in Section IV A. of Schedule 2 to the Agreement are relocated as follows:
C. Section IV. B. 2. Of Schedule 2 is deleted and replaced with the following:

"2. The Closing Date referred to in Section 3.06 of the Standard Conditions is April 30, 2015."

3. All other provisions of the Agreement, as amended hereby, shall remain in full force and effect.

4. Please confirm your agreement to the foregoing by signing, dating and returning to us one fully executed original of this amendment letter and retaining one original of the letter for your records. This amendment letter shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Bella Bird

Country Director for Somalia
Africa Region

AGREED:

FEDERAL REPUBLIC OF SOMALIA

By ____________________________

Authorized Representative

Name: Hussein Halane

Title: MINISTER

Date: 01/21/2015