Ref: WB-CD/369/11/12/2010

H. E. Ato Sufian Ahmed
Minister of Finance and Economic Development
Ministry of Finance and Economic Development
Addis Ababa
Federal Democratic Republic of Ethiopia

Multi-donor Trust Fund Grant for the Co-financing of the
Ethiopia Protection of Basic Services Program - Phase II Project
(Health MDG Support Facility – Subprogram B) (TF095106)
Amendment No. 2 to Letter Agreement

Excellency:

We refer to the Letter Agreement (“Agreement”) dated September 3, 2009, between the International Development Association (“World Bank”), acting as administrator of grant funds provided by the Multi-donor Trust Fund for the Co-financing of the Ethiopia Protection of Basic Services Program - Phase II Project (Health MDG Support Facility - Subprogram B) (the Project) and the Federal Democratic Republic of Ethiopia (the Recipient).

We are pleased to inform you that the World Bank has received a contribution of US$ 3,660,000 from the Netherlands for Subprogram B of the Project. In order to provide this amount to the Recipient, we propose to amend the Agreement as follows:

1. Section 3.01 in Article III of the Agreement is amended to read as follows:

   “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 thirty six million nine hundred ninety six thousand seven hundred and sixty four United States Dollars ($36,996,764) (“Grant”) to assist in financing the Project.”

2. The table in Section II of Schedule 2 to the Agreement is amended to read as follows:

<table>
<thead>
<tr>
<th>“Category”</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Consultants’ Services, Training and Workshops, Operating Costs, and Pilots for Subprogram B</td>
<td>36,996,764</td>
<td>Such percentage of Eligible Expenditures as the World Bank may determine for each six monthly period of the EFY</td>
</tr>
<tr>
<td>TOTAL</td>
<td>36,996,764”</td>
<td></td>
</tr>
</tbody>
</table>
All other provisions of the Agreement, except amended herein, shall remain in full force and effect.

Please confirm your agreement with the foregoing on behalf of the Recipient by signing, dating and returning to us the enclosed copy of this letter. Upon receipt by the World Bank of the copy of this letter countersigned by you, this amendment will become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ Robert S. Chase
By ______________________
Robert S. Chase
Country Director for Ethiopia
Africa Region

AGREED:

ON BEHALF OF THE FEDERAL REPUBLIC OF ETHIOPIA

/s/ Sufian Ahmed, Minister
By: ____________________________
Authorized Representative

Date: ____________ Nov., ____________ 2010