Ref.: WB/CD/113/04/01/2013

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

Dear Ato Sufian,

ETIOPIA: Tana & Beles Integrated Water Resources Development Project
Amendment No. 2 to the Financing Agreement (Credit No. 4457-ET)

We refer to the Financing Agreement (the Agreement) for the above-mentioned Project, dated June 13, 2008, between the Federal Democratic Republic of Ethiopia (the Recipient) and the International Development Association (the Association) and to the first amendment to the Agreement dated November 9, 2011, (the Amendment No. 1). We also refer to your letter dated November 30, 2012, requesting specific amendments to the Agreement.

The Association accedes to your request and proposes to amend the Agreement as set forth in this amendment letter (the Amendment).

1. Schedule 1 to the Agreement is amended as follows:

(a) The Project development objective is amended to read as follows:

"The objective of the Project is to develop enabling institutions and investments for integrated planning, management, and development in the Tana and Beles Sub-basins."

(b) Part C of the Project Description is amended to read as follows:

"Part C: Growth-Oriented Investment Preparation

Support the development of the growth zone of the Tana and Beles Sub-basins through technical assistance, surveys, studies and associated analytical works, provision of equipment, and training."

2. The higher level result indicators of Section II A.1.b of Schedule 2 to the Agreement as revised in Amendment no.1 are deleted and shall read as follows:

"(i) Tana and Beles Sub basin organizations are sufficiently equipped with knowledge base and analytical tools for integrated water resources planning and management TaSBO and BeSBO have been established and are fully operational."
(ii) Direct project beneficiaries (number) of which female (percentage).

(iii) Initial integrated basin management plans for Tana and Beles sub-basins developed and discussed by key stakeholders (regional bureaus and authorities, Basin organizations, civil society organizations and community representatives).

(iv) At least 80,000 hectares of vulnerable Tana Sub-basin micro-watersheds have been rehabilitated and sustainable land management practices introduced.

(v) Soil erosion monitoring and evaluation system developed and monitoring network in place.

(vi) Flood management plans for Part B.2 of the Project have been adopted by Relevant Institutions and targeted communities around Lake Tana.”

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

Please confirm your agreement with the foregoing, on behalf of the Recipient, by countersigning and dating the form of confirmation on the two letters provided and returning one original countersigned letter to us. Upon receipt by the Association of this letter countersigned by the Recipient, this Amendment will become effective as of the date of its countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Guang Z. Chen
Country Director for Ethiopia
Africa Region

AGREED:

THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: [Signature]
Authorized Representative
Name: AHMED SHIDE
Title: State Minister
Date: 2 APR 2013