H.E. Dr. Mohammed Saeed Al-Sadi  
Minister of Planning and International Cooperation  
Ministry of Planning and International Cooperation  
P. O. Box 175  
Sana’a, Republic of Yemen

YEMEN: Integrated Urban Development Project  
Amendment to the Financing Agreement (Grant No. H565-RY)

Excellency:

We refer to the Financing Agreement (the “Agreement”) for the above-mentioned Project, dated June 28, 2012, between the Republic of Yemen (the Borrower) and the International Development Association (the Association). We also refer to your letter dated October 24, 2012, requesting specific amendments to the Agreement.

We are pleased to inform you that the Association accedes to your request and proposes to amend the Agreement as set forth in this letter (the Amendment).

1. Section 2.01 of the Agreement shall be amended to read as follows:

“Section 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to eleven million eight hundred thousand Special Drawing Rights (SDR 11,800,000) (“Financing”), which consists of an equivalent to fourteen million five hundred thousand Special Drawing Rights (SDR 14,500,000) (“Original Credit Amount”), as reduced by an amount equivalent to two million seven hundred thousand Special Drawing Rights (SDR 2,700,000) (“Reduced Credit Amount”).”

2. Part B (ii) of Schedule 1 to the Agreement shall be amended as follows:

“(ii) building government capacity in Taiz for carrying out urban upgrading, including establishment of, and support for, a core geographic information system unit in the Governor’s office, and provision of goods to Taiz government to operate the Accounting-based Financial Management Information System (AFMIS)”

3. The table set forth in Section IV.A.2 of Schedule 2 to the Agreement, and as table 2 in the Annex to this Amendment (“Original Grant Amount”) shall be replaced with table 1 (“Reduced Grant Amount”) set forth in Annex to this Amendment.
4. Section I of the Appendix to the Agreement shall be amended by inserting paragraphs (20) and (21), respectively, to read as follows:

“(20)” “Original Grant Amount” means an amount of fourteen million five hundred thousand Special Drawing Rights (SDR 14,500,000) referred to in Section 2.01 of this Agreement; and

“(21)” “Reduced Grant Amount” means an amount of eleven million eight hundred thousand Special Drawing Rights (SDR 11,800,000) referred to in Section 2.01 of this Agreement.”

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

Please indicate agreement to 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 Association of the copy of this letter countersigned by the Recipient this amendment shall become effective as of the date of its countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

\[Signature\]

Hartwig Schafer
Country Director
Yemen, Egypt and Djibouti
Middle East and North Africa Region

CONFIRMED:

REPUBLIC OF YEMEN

By: Authorized Representative

Name: Dr. Mohammad Saeed Al-Sadi

Title: Minister of Planning and International Cooperation

Date: 17/2/2013
Section IV. Withdrawal of the Proceeds of the Credit

**TABLE 1** REDUCED GRANT AMOUNT

A. General

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (Expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants' services and Training under Parts A and B of the Project</td>
<td>1,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consultants' services, Training and Incremental Operating Costs under Part C of the Project</td>
<td>1,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Works under Part A of the Project</td>
<td>8,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>11,800,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 2** ORIGINAL GRANT AMOUNT

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants' services and Training under Parts A and B of the Project</td>
<td>1,320,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consultants' services, Training and Incremental Operating Costs under Part C of the Project</td>
<td>860,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Works under Part A of the Project</td>
<td>10,870,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>1,450,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>14,500,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
Copy to:

Mr. Merza Hasan  
Executive Director, World Bank Group

Ms. Jeehan Abdul Ghaffar  
Advisor to the Executive Director, World Bank Group
Distribution

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