Eng. Abdulla Hajer  
Executive Managing Director  
General Authority for Rural Electrification  
Ammran Street, Alhasaba  
Sana'a, Republic of Yemen

Subject: Republic of Yemen: Rural Energy Access Project  
Amendment to the Project Agreement  
(Grant No. H490-RY)

Excellency:

We refer to the Project Agreement for the above-mentioned Project, dated July 10, 2009 between the International Development Association (the Association) and General Authority for Rural Electrification ("Project Implementing Entity"). We also refer to your letter dated December 26, 2012 requesting specific amendments to the Project Agreement.

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

1. Section I.A.3 of the Schedule to the Project Agreement is amended to read as follows:

"3. The Project Implementing Entity shall, prior to the commissioning of the distribution network facilities to the respective RESP enter into arrangements satisfactory to the Association, which shall include that: (a) the value of the respective facilities shall be converted into fixed assets which the RESP shall own, operate and maintain to provide reliable electricity service; and (b) the respective eligible RESP shall have its financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the respective eligible RESP. The audited financial statements for each period shall, through the Project Implementing Entity, be furnished to the Association not later than six (6) months after the end of the period."

2. Sections II.B.3 and Section II.B.4, respectively, of the Schedule to the Agreement are deleted.

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 for Yemen

CONFIRMED:

GENERAL AUTHORITY FOR RURAL ELECTRIFICATION

By: [Signature]
Authorized Representative

Name: Abdullah Ahmed
Title: Executive Managing Director
Date: 19/06/2013
Copy

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