H.E. M. Ali Farah Assoweh  
Minister of Economy, Finances and Planning  
in charge of Privatization  
Djibouti, Republic of Djibouti

Re: Republic of Djibouti: Second School Access and Improvement Project  
(Credit No. 4122-DJI) - Third Amendment to the Development Credit Agreement

Excellency,

We refer to the Development Credit Agreement (the Agreement) between the Republic of Djibouti (the Borrower) and the International Development Association (the Association), dated November 28, 2005, as amended on December 10, 2005 and May 3, 2006. We also refer to your letter dated March 27, 2011, [and to the understandings reached by representatives of the Borrower and the Association to amend of the Agreement].

Consequently, the Agreement is hereby amended as follows:

1. The proceeds of the Credit as set out in the table in paragraph 1 of Schedule 1 to the Agreement are reallocated and the amounts now allocated to the different categories are as indicated in the attachment to this amendment letter.

2. Part A.1 of Schedule 2 to the Agreement is amended to read as follows:

   “1. Increasing the capacity of existing schools through: (i) the construction, equipment and rehabilitation of classrooms, in primary and middle schools in urban and rural areas; and (ii) the construction and equipment of a new middle school.”

All the terms and conditions of the Agreement that have not been amended hereby remain unchanged and in full force and effect.
Please confirm your agreement with the foregoing by signing and dating the confirmation on the enclosed copy of this amendment letter and returning it to us. Upon receipt by the Association of the copy of this amendment letter countersigned by you, this amendment letter shall become effective as of the date of your countersignature.

Very Truly Yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ A. David Craig
Director
Djibouti, Egypt and Yemen Country Department
Middle East and North Africa Region

CONFIRMED AND AGREED

REPUBLIC OF DJIBOUTI

By: /s/ Ilyas Moussa Dawaleh
Authorized Representative

Title: Minister of Finance

Date: June 5, 2011
<table>
<thead>
<tr>
<th>“Category”</th>
<th>Amount of the Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works</td>
<td>3,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>1,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services, audit fees and training</td>
<td>1,538,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Incremental Operating Costs</td>
<td>400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refunding of Project Preparation Advance</td>
<td>212,000</td>
<td>Amount due pursuant to Section 2.02 (c) of this Agreement</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6,600,000</strong></td>
<td></td>
</tr>
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