H.E. Mr. Ilyas Moussa Dawaleh  
Minister of Economy and Finance and Planning  
Ministry of Economy, Finance and Planning  
Djibouti  
Republic of Djibouti

Re: Education for All – Fast Track Initiative (EFA-FTI)  
(Additional Financing for Primary Education Support Project)  
Amendment to the Grant Agreement – TF098073

Excellency:

We refer to the Letter Agreement (“Agreement”), as amended, between the Republic of Djibouti (“Recipient”) and the International Development Association (“World Bank”) acting as administrator of grant funds provided under the EFA-FTI Catalytic Trust Fund dated October 19, 2010.

We also refer to your letter requesting certain amendments to the Agreement dated June 26, 2012.

I am pleased to inform you that, after careful consideration, we propose to amend the Agreement as follows:

1. The Table set forth in Section 3.01 of Article III of the Annex (Withdrawal of the Grant Proceeds) is amended as set forth in the attachment hereto (Attachment - 1).

2. A new paragraph is added under the Table set forth in Section 3.01 of Article III of the Annex to read as follows:

“The term “Incremental Operating Costs” means expenditures incurred by the Recipient under the Project for maintenance of office equipment and vehicles, office utilities and supplies and office administration including printing and advertising, communication costs, commercial bank charges, fuel costs, domestic travel (transportation and per diem), salaries of drivers for Project related activities and one driver’s employee (for the purpose of supporting activities related to blind students under Part 2 of the Project), salaries for four (4) Project staff (1 procurement assistant, 1 financial management assistant, 1 accountant and 1 administrative assistant) for the period from November 1, 2010 to September 30, 2011, and other Project management support costs as may be agreed between the Recipient and the World Bank from time to time, but excluding salaries of the Recipient’s civil servants.”

3. The Closing Date referred to in Article 3 - Section 3.03 should be amended to read as March 31, 2013.
All other terms and conditions of the Letter Agreement, as amended hereby, shall remain in full force and effect.

Please confirm your agreement on behalf of the Republic of Djibouti with the above amendment by signing, dating and returning to us one of the original copies of this Amendment Letter. Upon receipt by the Bank of the copy of this Amendment Letter countersigned by you, this Amendment Letter will become effective as of the date of your countersignature, except the provisions in paragraph 2 above and the Attachment to this Amendment introducing "incremental operating costs" as category of eligible expenditures, all which shall be deemed effective as of October 19, 2010.

Very Truly Yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Poonam Gupta
Acting Country Director
Egypt, Yemen and Djibouti Country Department

AGREEED

Date: ___/6/2012

REPUBLIC OF DJIBOUTI
### Withdrawal of Grant Proceeds

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services and incremental operating costs under Part 1 of the Project</td>
<td>2,020,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(2) Goods, works, consultants’ services and incremental operating costs under Parts 2, 3 and 4 of the Project</td>
<td>1,980,000</td>
<td>100 %</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,000,000</td>
<td></td>
</tr>
</tbody>
</table>