Supplemental Letter

INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: IDA Grant No. H919
Regional Pastoral Livelihoods Resilience Project
Financing Agreement
Representations

Dear Sirs and Mesdames:

In connection with the Financing Agreement ("Financing Agreement") of even date herewith between the International Development Association ("Association") and the Inter-Governmental Authority on Development ("Recipient" or "IGAD") for the above-captioned Grant, the Recipient hereby undertakes and warrants to the Association that:

1. The financial statements of the Recipient dated December 31, 2012, copies of which have been furnished to the Association, correctly set forth the financial and operating condition of the Recipient as of that date, and since that date there have been no material adverse changes in the financial and operating conditions of the Recipient.

2. The Recipient is not engaged in litigation as plaintiff or defendant, the outcome of which might materially and adversely affect its financial condition.

3. The Recipient has no outstanding agreements or liabilities, contingent or otherwise (including taxes), that might materially and adversely affect its financial condition.

4. No debt of the Recipient is secured by any mortgage, pledge, charge, priority, or other lien, and no contract or arrangement exists for the creation of any such mortgage, pledge, charge, priority, or other lien.

5. There are no existing defaults in the payment of principal of, or interest or other charges on, any of the debts of the Recipient.

6. The Recipient is not in violation of, and execution and delivery of the Financing Agreement and the compliance with all its terms do not and will not result in any violation of, any provisions of any existing agreement, franchise, concession, license, or permit, or of any statute, law, decree-law, executive decree, regulation, or any other legal rule of a similar nature presently in effect and applicable to the Recipient.
7. The Recipient was established through the Agreement Establishing the Inter-Governmental Authority on Development dated March 21, 1996. Pursuant to the said Agreement, the Recipient is a duly created and existing inter-governmental institution with own legal personality and has full authority to carry out its present business, to carry out the Project, and to execute and deliver the Financing Agreement, and has furnished to the Association true copy of the IGAD Constitutive Agreement (as defined in the Financing Agreement) presently in force and effect and governing or applicable to the operations of the Recipient.

It is our understanding that, in making the Grant and entering into the Financing Agreement with the Recipient, the Association may rely on the representations contained herein.

Very truly yours,

INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT

By: [Signature]

Authorized Representative