H. E. Admasu Nebebe  
State Minister of Finance and Economic Development  
Ministry of Finance and Economic Development  
Addis Ababa  
Federal Democratic Republic of Ethiopia

**Re: Additional Financing for Enhancing Shared Prosperity through Equitable Services Program**  
(TF Grant No. TF0A7523)  
**Amendment to the Grant Agreement**

Excellency:

We refer to the Grant Agreement (the “Agreement”), dated August 29, 2018 between the Federal Democratic Republic of Ethiopia (“Recipient”) and the International Development Association (“World Bank”), acting as administrator of the Financing Decentralized Basic Services, Systems Strengthening and the Service Delivery Secretariat (SDS) to Facilitate Donor Coordination, Joint Reviews and Implementation Support Multi-Donor Trust Fund (“MDTF”).

We are pleased to inform you that the World Bank has received part of the donors’ commitment as additional funds to support the MDTF activities. Therefore, in order to provide these funds to the Recipient, we propose to amend the Agreement as follows:

1. **Section 3.01 of the Grant Agreement is deleted in its entirety and is replaced with the following:**

   “3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to four million five hundred forty-eight thousand two hundred sixty-seven United States Dollars ($4,548,267) (“Grant”) to assist in financing the program described in Part 1 of Schedule 1 to this Agreement.”

2. **Category (4a) DLI #4a in Section III.A.2 of Schedule 2 to the Grant Agreement is deleted in its entirety and replaced with the following:**

   (remainder of page intentionally left blank)
<table>
<thead>
<tr>
<th>Category (including Disbursement Linked Indicator as applicable)</th>
<th>Disbursement Linked Result (as applicable)</th>
<th>Amount of MDTF Grant (expressed in USD)</th>
<th>DLR allocations and Disbursement Formula (expressed in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4a) DLI #4a: Increase qualified teachers grade 1-4 (diploma level) in 4 regions Afar, Somali, SNNP, Oromia</td>
<td>DLR #4a.1: At least 57% (cumulative) of teachers have a diploma level qualification in ECY 2010 (from baseline of 52% in ECY 2008)</td>
<td>2,265,029</td>
<td>2,265,029</td>
</tr>
<tr>
<td></td>
<td>DLR #4a.2: At least 60% (cumulative) of teachers have a diploma level qualification in ECY 2011</td>
<td>0</td>
<td>n.a.</td>
</tr>
<tr>
<td>(5a) DLI #5(a): Improved geographic equity in education and health service delivery outcomes, based on Net Enrollment Rate and grade 5-8, Girls Completion Rate grade 8, Penta 3 Vaccine indicators for the bottom performing 20% of Woredas</td>
<td>DLR #5(a).1: Penta 3 Coverage for children under one year of age in the Bottom 20% of Woredas is 57.4% in EFY2010 (from baseline of 56.4% in EFY 2009)</td>
<td>2,283,238</td>
<td>2,283,238</td>
</tr>
<tr>
<td></td>
<td>DLR #5(a).2: The NER grade 5-8 in the Bottom 20% of Woredas is 24.3% for ECY2010 (from baseline 17.3% from ECY 2008)</td>
<td>0</td>
<td>n.a.</td>
</tr>
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<td></td>
<td>DLR #5(a).3: The completion rate for girls in Grade 8 in the Bottom 20% of Woredas is 16.5% (from baseline of 12.5% in ECY2008) in ECY 2010</td>
<td>0</td>
<td>n.a.</td>
</tr>
<tr>
<td></td>
<td>DLR #5(a).4: The NER grade 5-8 in the Bottom 20% of Woredas is 28.3% in ECY 2011 (from 24.3%)</td>
<td>0</td>
<td>n.a.</td>
</tr>
<tr>
<td></td>
<td>DLR #5(a).5: The completion rate for girls in Grade 8 in the Bottom 20% of Woredas is 20.5% in ECY 2011 (from 18.5%)</td>
<td>0</td>
<td>n.a.</td>
</tr>
<tr>
<td></td>
<td>DLR #5(a).6: Penta 3 Coverage for children under one year of age in the Bottom 20% of Woredas is 62.4% in EFY 2012 (from 57.4%)</td>
<td>0</td>
<td>n.a.</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>4,548,267</td>
<td>4,548,267</td>
</tr>
</tbody>
</table>

The total amount of the Grant after the additional funds allocated to category (4a) above will now aggregate to USD 4,548,267.
Please confirm the agreement of the Recipient to the amendments set forth above by signing, dating and returning to us the enclosed copy of this amendment letter.

Except as specifically amended by this amendment letter, all other provisions of the Grant Agreement shall remain in full force and effect. Upon receipt by the Bank of a copy of this amendment letter duly countersigned by the authorized representative of the Recipient, the above amendments to the Agreement shall become effective as of the date of countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ____________________
   Carolyn Turk
   Country Director
   Ethiopia, Sudan and South Sudan

CONFIRMED:

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: _______________
   H.E. Admasu Nebebe
   State Minister of Finance and Economic Development