Honorables John Rwangombwa
Minister of Finance and Economic Planning
Ministry of Finance and Economic Planning
Kigali, Rwanda

Dear Honorables Rwangombwa:

**Rwanda: Second Emergency Demobilization and Reintegration Project**
*(Grant Number H514-RW)*

**Amendment to the Financing Agreement**

We refer to the Financing Agreement (the Agreement) for the above-mentioned Project, dated February 8, 2010 between the Republic of Rwanda (the Recipient) and the International Development Association (the Association). We also refer to your letter dated September 14, 2011, requesting for amendment to the Agreement to re-adjust the disbursement percentages of the various sources of financing supporting this Project.

We are pleased to inform you that the Association concurs with your request and proposes to amend the Agreement as follows-

1. The table set forth in Section IV. A. 2 of Schedule 2 to the Agreement is deleted in its entirety and replaced with the table set forth in the Annex to this letter.
2. Section I of the Appendix to the Agreement is amended by-
   (a) introducing the following definitions immediately after paragraph 4-
   "5. “Confirmation Letter” means a letter from the Association to the Recipient indicating the applicable percentage rate of disbursement for the Project for the period under reference having regard to amount of funding available to the Association from the various sources of financing supporting this Project and the project expenditures. ”

(b) re-numbering the current paragraphs “5”-“51” as “6”- “52” respectively.

All other provisions of the Agreement, except as herein amended, shall remain in full force and effect.
Please indicate your agreement with the foregoing amendment by countersigning the two original copies of this letter and returning one original countersigned copy to us. Upon receipt by the Association of this countersigned copy, this amendment shall become effective as of the date of its countersignature.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Johannes Zutt
Country Director for Rwanda
Africa Region

CONFIRMED:

REPUBLIC OF RWANDA

By: Authorized Representative

Date: 01 MAR 2012
Annex

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Basic Needs, Recognition of Service, and Disability Allowances and Training, Education, Employment, and Subproject Grants under Parts 2 (a), (b), (c), and (e) and 3 (a) and (d) (iv) of the Project</td>
<td>3,900,000</td>
<td>Such percentage as the Association shall determine and communicate to the Recipient in a Confirmation Letter based upon actual expenditures and projected expenses</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services (including for audits), and Training under Parts 1, 2 (d), 3 (b), (c), (d) (i), (ii), (iii), and (iv), and (e), 4, and 5 of the Project</td>
<td>400,000</td>
<td>Such percentage as the Association shall determine and communicate to the Recipient in a Confirmation Letter based upon actual expenditures and projected expenses</td>
</tr>
<tr>
<td>(3) Operating Costs</td>
<td>700,000</td>
<td>Such percentage as the Association shall determine and communicate to the Recipient in a Confirmation Letter based upon actual expenditures and projected expenses</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>5,200,000</strong></td>
<td></td>
</tr>
</tbody>
</table>