September 6, 2012

H.E. Ato Sufian Ahmed
Minister
Ministry of Finance and Economic Development
Addis Ababa
Federal Democratic Republic of Ethiopia

Dear Ato Sufian,

Re: Grant No. TF099283 (Ethiopian Diaspora Education and Health Professionals Mobilization Project)

Additional Instructions: Second Restated Disbursement Letter (Amendment)

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development and the International Development Association (the "World Bank"), acting as administrator of grant funds provided by Italy, and the Federal Democratic Republic of Ethiopia (the "Recipient") for the above-referenced project dated March 31, 2011. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF099283 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The original Disbursement Letter dated March 28, 2011 and the first "Restated" Disbursement Letter dated December 22, 2011 are hereby "Restated" to change the Disbursement Deadline Date of Section I. (ii) from four months to two months, i.e. October 31, 2012. All other provisions of the original Disbursement Letter dated March 28, 2011 and the first "Restated" Disbursement Letter dated December 22, 2011, except as amended, shall remain in force and effect.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.
I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is October 31, 2012, which is two months grace period after the closing date of August 31, 2012 specified in the Extension of Grant Disbursement Closing Date Letter dated June 29, 2012.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Grant Agreement.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
P.O.Box 5515
Addis Ababa, Ethiopia
Attention: Country Director for Ethiopia

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank
4 Fricker Road
Illovo 2196
Johannesburg, Republic of South Africa
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4). The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices (“Tokens”) from the World Bank for the purpose of delivering such
Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is US$50,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** United States Dollar
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** National Bank of Ethiopia
- **Ceiling (subsection 6.1):** United States Dollars 400,000

III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement and for reporting eligible expenditures paid from the Designated Account:**
  - List of payment against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 4);
  - Records evidencing eligible expenditures (Attachment 3A – Statement of Expenditure – with supporting documentation, e.g. copies of receipts, supplier invoices, for payments made under contracts above SOE documentation thresholds – (i) Non-Consulting Services rendered by firms or individuals against contracts valued at USD 50,000 equivalent or more; (ii) Goods against contracts valued at USD200,000 or more;
  - Statement of Expenditure in the form attached (Attachment 3B – Statement of Expenditure – with no supporting documentation, for
payments made under all other contracts, that is below the SOE documentation thresholds (above);
- A Designated Account activity reconciliation statement and Bank Statement should be submitted with each withdrawal application reporting on the use of Credit proceeds from the Designated Account.

- **For requests for Direct Payment:** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Monthly

V. Other Important Information


From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information.

If you have not done so, the Association recommends that you register as a user of the Client Connection website at [https://clientconnection.worldbank.org](https://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Association by email at [https://clientconnection.worldbank.org](https://clientconnection.worldbank.org).

If you have any queries in relation to the above, please contact Jose Janeiro, Senior Finance Officer at [jjaneiro@worldbank.org](mailto:jjaneiro@worldbank.org) using the above reference.

Yours sincerely,

[Signature]

Jose C. Janeiro
Senior Finance Officer
Loan Department
Attachments: Please note that attachments 1 to 5 as per the original disbursement letter dated March 28, 2011 remain valid.