H.E. Dr. Mohammed Saeed Al-Saadi
Minister of Planning and International Cooperation
Ministry of Planning and International Cooperation
P. O. Box 175
Sana’a, Republic of Yemen

Subject: Republic of Yemen: Rural Energy Access Project
Amendment to the Financing Agreement
(Grant No. H490-RY)

Excellency:

We refer to the Financing Agreement (the Agreement) for the above-mentioned Project, dated July 10, 2009 between the Republic of Yemen (the Recipient) and the International Development Association (the Association). We also refer to your letter dated December 26, 2012 requesting specific amendments to the Agreement.

The Association accedes to your request and proposes to amend the Agreement as set forth in this amendment letter (the Amendment).

1. Schedule 1 to the Agreement is amended as follows:

(a) The Project development objective is amended to read as follows:

"The objective of the Project is to improve electricity access of rural populations in the selected Project Areas."

(b) Part A of the Project is amended to read as follows:

"Part A: On-Grid Rural Electrification"

"Supply and installation of medium voltage transmission lines (at 33-kV and 11-kV), sub-stations, transformers, distribution materials including meters, and related civil works for on-grid rural electrification in the Project Areas to establish about 107,000 (IDA about 24,000) new connections through the carrying out of works and provision of goods and consultants’ services."

(c) Part C of the Project is amended by deleting paragraphs C.6 and C.7, respectively.

2. Schedule 2 to the Agreement is amended as follows:

(a) Section I.A.4 of Schedule 2 to the Agreement is amended to read as follows:

"4. "By no later than September 30, 2014, the Recipient shall cause the Project Implementing Entity to appoint an independent consultant to prepare an ESMP implementation review report.""
(b) Section I.A. of Schedule 2 to the Agreement is amended by inserting paragraph 6 to read as follows:

"6. " The Recipient shall: (a) no later than September 30, 2014, establish in manner satisfactory to the Association, and thereafter, maintain the respective RESPs; and (b) ensure that no distribution network facility is transferred to any RESP, unless an assessment of the pertinent RESP has been carried out, in a form and substance satisfactory to the Association, to confirm that such RESP is functional."

(c) Section I.B.1 of Schedule 2 to the Agreement is deleted and replaced with the following:

"1. " To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity as a grant under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement")."

(d) Section IV.B.1 of Schedule 2 to the Agreement is amended to read as follows:

"1. " Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement."

(e) Section IV.B.2 of Schedule 2 to the Agreement is amended to read as follows:

"2. " The Closing Date is June 30, 2017."

3. The Appendix to the Agreement is amended by deleting paragraph 19 and replacing it with the following:

"19. " Sub-grant Agreement" means the sub-grant agreements to be entered into between REA and the eligible RESP."

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

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Hartwig Schaefer
Country Director for Yemen

CONFIRMED:

REPUBLIC OF YEMEN

By: [Signature]

Authorized Representative

Name: H.E. Dr. Mohammed Saed Al-Sadi

Title: Minister of Planning and International Cooperation

Date: June 19, 2013
Copy

Eng. Abdulla Hajer
Executive Managing Director
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