November 14, 2016

H.E. Dr. Abraham Tekeste
Minister
Ministry of Finance and Economic Cooperation
Addis Ababa

Ethiopia: Pastoral Community Development Project III
(Credit No 5335-ET)
Amendment to the Finance Agreement

We refer to the Finance Agreement (the “Agreement”), dated January 16, 2014, between the Federal Democratic Republic of Ethiopia (the “Recipient”) and the International Development Association (the “Association”) for the above mentioned Project (“Project”). We also refer to our recent discussion regarding reducing the disbursement percentage of selected disbursement Categories in the Agreement.

Therefore, we propose to delete the table in Section IV.A.2 of the Agreement to be replaced with the table in Annex 1 to this Amendment Letter.

All other provisions of the Agreement, excepted amended herein, shall remain in full force and effect.

This letter shall constitute an amendment to the Agreement between the Recipient and the Bank. Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing and dating the two originals, retaining one original for your records and returning the other original to the Bank. Upon receipt by the Bank of the original Amendment Letter countersigned by you, this Amendment Letter will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Country Director for Ethiopia, Sudan and South Sudan
Africa Region
H.E. Dr. Abraham Tekeste

November 14, 2016

AGREED:

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: __________________________________________

Name: Abraham Tekeste (PhD)

Title: Minister

Date: November 14, 2016
<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) Goods, Works, Non-consulting Services, Consultants’ Services, Audits, Training, and Operating Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) (i) under Part A.1(a) of the Project for Sub-projects under CIF Grants; and</td>
<td>34,138,000</td>
<td>48 % of amounts disbursed</td>
</tr>
<tr>
<td>(ii) under Part A.1(b), A.2 and A.3 of the Project;</td>
<td>10,965,000</td>
<td>53.95 %</td>
</tr>
<tr>
<td>(b) under Part B of the Project including Grants under Part B.1 and B.3</td>
<td>16,905,000</td>
<td>53.95 %</td>
</tr>
<tr>
<td>(c) under Part C of the Project</td>
<td>1,763,000</td>
<td>53.95 %</td>
</tr>
<tr>
<td>(d) under Part D of the Project</td>
<td>7,572,000</td>
<td>53.95 %</td>
</tr>
<tr>
<td>(2) Unallocated</td>
<td>457,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>71,800,000</strong></td>
<td></td>
</tr>
</tbody>
</table>