October 31, 2014

His Excellency Ato Sufian Ahmed
Minister of Finance and Economic Development
Ministry of Finance and Economic Development
Addis Ababa, Federal Democratic Republic of Ethiopia

Re: Ethiopia Competitiveness and Job Creation Project
(Credit 5451-ET)
Amendment to the Financing Agreement

Excellency:

1. We refer to the Financing Agreement (the “Financing Agreement”) dated May 20, 2014 between the International Development Association (the “Association”) and the Federal Democratic Republic of Ethiopia (the “Recipient”) for the above-mentioned Project.

2. We are pleased to inform you that the Association has agreed with your request dated October 29, 2014 to amend the Financing Agreement. Paragraph G.1 of Section I of Schedule 2 to the Financing Agreement is amended to read as follows:

"Unless the Association shall otherwise agree, the Recipient shall: (i) by not later than January 30, 2015, submit a Special Economic Zones Proclamation that conforms to international good practice to its Parliament for approval through its Council of Ministers, including, inter alia, provisions related to selection and performance criteria for enterprises to operate in IZs: enabling private sector investment, application of sound environment, social, and labor laws in line with international good practice; and regulatory framework; and (ii) following the issuance of the Special Economic Zones Proclamation by Parliament, establish a regulatory function within MOI in a timely manner with adequate staffing and resources for overseeing the establishment and operations of IZs in the Recipient’s territory."

3. All other provisions of the Financing Agreement, except amended herein, shall remain in full force and effect.
4. Please confirm your agreement to the amendment by countersigning and returning to us the enclosed copy of this letter, while keeping one original for your records. This amendment shall become effective as of the date of countersignature of this letter.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

By

Guang Zhe Chen
Country Director for Ethiopia
Africa Region

AGREED:

ON BEHALF OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: [Signature]

Authorized Representative

Name: SUFIAN AHMED
Title: MINISTER

Date: October 31, 2014