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

Re: Republic of Yemen: Multi-Donor Trust Fund to Support the  
Basic Education Development Project (Grant No TF053721)  
Amendment to the Multi-Donor Trust Fund Grant Agreement

Excellency:

We refer to the Multi-Donor Trust Fund Grant Agreement for co-financing the basic Education Development Project (Grant No TF053721) between the Republic of Yemen ("Recipient"), on the one part, and the International Development Association ("the Association"), on the other part, acting as administrator of grant funds provided by the Government of the United Kingdom of Britain and Northern Ireland, through its Department of International Development, and the Netherlands Minister for Development Cooperation (together, the "Donors"), dated April 9, 2005, as subsequently amended ("Grant Agreement"). We also refer to your recent request for restructuring of the above-Project, dated June 5, 2012.

Accordingly, the Grant Agreement is hereby amended as follows:

1. Section 2.01(a) of the Grant Agreement is amended to read as follows:

   “The Administrator agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the Multi-Donor Trust Fund Grant in an amount of forty eight million four hundred fifteen thousand eight hundred forty seven United States dollars (US$48,415,847).”

2. The Closing Date in Section 2.03 of the Grant Agreement is amended to read “December 31, 2012”.

3. The table shown at paragraph 1 of Section A of Schedule 1 of the Grant Agreement is amended to read as follows:
<table>
<thead>
<tr>
<th>Category</th>
<th>Allocated (Expressed in United States dollars)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>17,115,627</td>
<td>90%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>6,300,000</td>
<td>100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 85% of local expenditures for other items procured locally</td>
</tr>
<tr>
<td>(3) Consultants’ services</td>
<td>1,510,220</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training</td>
<td>20,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Incremental Operating Costs</td>
<td>1,200,000</td>
<td>90%</td>
</tr>
<tr>
<td>(6) Capitation Grants</td>
<td>190,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Travel Costs for Inspection Field Visits</td>
<td>2,100,000</td>
<td>90%</td>
</tr>
<tr>
<td>(8) Unallocated</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

| Total                                 | 48,415,847                                    |                                 |
All conditions of the Grant Agreement that have not been amended hereby shall remain unchanged and in full force and effect. Please confirm your agreement with the foregoing by signing and dating the confirmation on the enclosed copy of this Letter Amendment to the Grant Agreement and returning it to the Association. Upon receipt by the Association of this countersigned copy of this amendment letter, the amendment shall become effective as of the date of countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

By A. David Craig
Country Director
Yemen, Egypt, and Djibouti
Middle East and North Africa Region

AGREED AND CONFIRMED:

REPUBLIC OF YEMEN

[Stamp]

By: [Signature]
Authorized Representative

Name: Dr. Mohammed Saed Al-Sadi
Title: Minister of Planning & International Cooperation
Date: 8/18/2012