Ref: WB/CD/256/08/21/2012

H.E. Ato Sufian Ahmed
Minister
Ministry of Finance and Economic Development
Addis Ababa

Dear Ato Sufian:

Ethiopia: Multi-donor Trust Fund for the Co-financing of the General Education Quality Improvement Project in Ethiopia (TF094224)
Seventh Amendment to the Grant Agreement

We refer to the Grant Agreement ("Agreement") for a Multi-donor Trust Fund ("MDTF") for the Co-financing of the General Education Quality Improvement Project in Ethiopia (TF094224) entered into between the International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors under the Multi-donor Trust Fund ("MDTF") and the Federal Democratic Republic of Ethiopia ("Recipient"), dated July 21, 2009, and countersigned on July 24, 2009, and as amended to the date of this letter.

We are pleased to inform you that the World Bank has received some additional contributions pursuant to commitments of funds from the participating donors to the MDTF. Consequently, we propose to amend the Agreement in respect of the provisions below:

1. First paragraph of the Agreement is amended to read as follows:

"In response to the request for financial assistance made on behalf of the Federal Democratic Republic of Ethiopia ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors under the Multi-donor Trust Fund for Co-financing of the General Education Quality Improvement Project in Ethiopia, proposes to extend to the Recipient, a grant in an amount not to exceed two hundred four million United States Dollars (US$204,000,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). The Project is being co-financed by the World Bank through: (a) Financing Agreement ("Credit No. 45350-ET"), entered into between the Recipient and the World Bank on December 29, 2008 for an amount equivalent to Special Drawing Rights 33,500,000 ("Financing Agreement"); (b) Letter Agreement between the Recipient and the World Bank, dated November 12, 2008, and countersigned on November 21, 2008, for a grant of US$70,000,000 provided under the associated Education for All – Fast Track Initiative Catalytic Fund Grant Agreement ("Grant No. TF093227"); and (c) Letter Agreement between the Recipient and the World Bank, dated July 26, 2010 for a grant of US$98,000,000 provided under the associated Education for All – Fast Track Initiative Catalytic Fund Grant Agreement ("Grant No. TF097263"). This Grant is funded out of..."
the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds."

2. The table in Section 3.01 of the Annex to the Agreements is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Such goods, services, School Grants, Training and Operating Costs under each Annual Work Plan as the World Bank shall determine and communicate to the Recipient in its Annual Confirmation for such Annual Work Plan</td>
<td>204,000,000</td>
<td>Such percentage as the World Bank shall determine and communicate to the Recipient in its Annual Confirmation for the relevant Annual Work Plan</td>
</tr>
<tr>
<td>Total</td>
<td>204,000,000</td>
<td></td>
</tr>
</tbody>
</table>

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

Please confirm your agreement with the foregoing on behalf of the Recipient by signing, dating and returning to us the enclosed copy of this letter. Upon receipt by IDA of the copy of this letter countersigned by you, this amendment will become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Louise F. Scura
Country Director for Ethiopia a.i.
Africa Region

AGREED:

ON BEHALF OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

[Signature]
Authorized Representative
SUFIAN AHMED
MINISTER

Date: 27 Aug, 2012
Drafted by: Rajendra D. Joshi (AFTED)

Cleared by and CC: J. Pavluk (LEGAF); J. Janeiro (CTRFC); R. Rangachari (TACT)

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