Ref: WB/CD/129/03/31/2015

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

Dear Ato Sufian,

Ethiopia: Co-financing of Productive Safety Net APL III Project
(EU GRANT NUMBER TF017669)
Amendment No. 2 to Grant Agreement

We refer to the Grant Agreement (the “Agreement”), dated October 7, 2014, between the International Development Association (“World Bank”), acting as an administrator of Grant funds provided by the European Union (represented by the European Commission) (the “Donor”) to the trust fund for the Co-financing of the Ethiopia Productive Safety Net APL III Project (the “Project”) and the Federal Democratic Republic of Ethiopia (the “Recipient”).

We are pleased to inform you that the World Bank has received part of the Donor commitment as additional funds to support the Project activities. Therefore, in order to provide these funds to the Recipient, we propose to amend the Agreement as follows:

1. Article 3.1 of the Agreement is amended to read as follows:

   “3.1. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to seventy-nine million fifty-five thousand four hundred and seventy United States Dollars and fifty seven cents (US$79,055,470.57) (“Grant”) to assist in financing the Project.”

2. The table in Section IV.A.2 of Schedule 2 to the Agreement is deleted in its entirety and is replaced with the Annex attached to this amendment letter.

3. All other provisions of the Agreement, except amended herein, shall remain unchanged.
Please indicate your agreement with 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 World Bank
of the copy of this letter countersigned by you, this amendment shall become effective as of the
date of countersignature of this letter by you.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By Lars C. Moller
Country Director for Ethiopia, a.i.
Africa Region

AGREED:

ON BEHALF OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: Authorized Representative

Title: AHMED SHIDE
State Minister

Date: __________________
### Annex

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in US$)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and Consultants’ Services,</td>
<td>3,189,737.00</td>
<td>Such percentage of Eligible Expenditures as the World Bank may determine for each FY</td>
</tr>
<tr>
<td>(2) Safety Net Grants under Part A of the Project</td>
<td>75,865,733.57</td>
<td>Such percentage of Eligible Expenditures as the World Bank may determine for each FY</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>79,055,470.57</td>
<td></td>
</tr>
</tbody>
</table>

H.E. Ato Sufian Ahmed

March 31, 2015
Drafted by: Mohammed Nadeem (LEGAM)

Cleared by: Mugambi Mugisha Mwendia (WFALA), Mohammed Nadeem (LEGAM)