Ref: WB/CD/230/04/08/2011

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

Dear Ato Sufian,

Ethiopia Productive Safety Net Program Grant (APLII and APLIII)
(Multi Donor Trust Fund Grant No. TF099474)
Amendment No. 1 to Letter Agreement

We refer to the Letter Agreement (“Agreement”), dated June 6, 2011, between the International Development Association (“IDA” or “World Bank”) (acting as an administrator of grant funds provided by various donors under the Multi Donor Trust Fund for the Ethiopia Productive Safety Nets Program (“PSNP”) (“APLII and APLIII”)) and the Federal Democratic Republic of Ethiopia (“Recipient”).

We are pleased to inform you that the World Bank has received additional donor contributions to the MDTF activities.

In order to provide these funds to the Recipient, we propose to amend the Agreement as follows:

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 (“IDA” or “World Bank”), acting as administrator of grant funds provided by various donors under the Multi Donor Trust Fund (“MDTF”) for the Ethiopia Productive Safety Net Program (“PSNP”) (“APLII and APLIII”), proposes to extend to the Recipient, a grant in an amount not to exceed fifty five million one hundred thousand two hundred and sixty three United States Dollars and eighteen cents (US$ 55,100,263.18) (“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”). 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 paragraph 3.01 of the Annex 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

/s/ Greg Toulmin

By_ Greg Toulmin
Country Director for Ethiopia a.i.
Africa Region

AGREED:

ON BEHALF OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By /s/ Sufian Ahmed, Minister

Date: August 9, 2011
Annex

<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) Safety Net Grants</td>
<td>51,904,447.92</td>
<td>Such percentage of expenditures IDA may determine each fiscal year</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>2,259,110.79</td>
<td>Such percentage of expenditures IDA may determine each fiscal year</td>
</tr>
<tr>
<td>(3) Consultant Services</td>
<td>936,704.47</td>
<td>Such percentage of expenditures IDA may determine each fiscal year</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>55,100,263.18</td>
<td></td>
</tr>
</tbody>
</table>
Drafted by: Mohammad Nadeem (LEGAF)
Cleared by: Ramachandran Chidambaran (TACT), Mohammad Nadeem (LEGAF), Jose
Janerio (CTRFC)

Bcc: W. Soer, M. Abdulahi, M. Naqvi, A. Demissie, M. Techane, R. Chidambaran, M.
Nadeem, C. Holmemo, WBDOCs