March 24, 2015

Ref: WB/CD/114/03/24/2015

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

Dear Ato Sufian,

Subject: Grant for the Ethiopia Productive Safety Net Program (APLIII)
(Multi Donor Trust Fund Grant No. TF099450)
Amendment No. 7 to Letter Agreement

We refer to the Letter Agreement ("Agreement"), dated June 14, 2011, as amended to date, 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 ("MDTF") for the co-financing of Ethiopia Productive Safety Nets Program ("PSNP" or "Program") and the Federal Democratic Republic of Ethiopia ("Recipient").

We are pleased to inform you that the World Bank has recently received another installment of donor commitments for the MDTF activities. In order to provide these funds to the Recipient, we propose to amend the Agreement in respect of the provisions below:

I. 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") established for the co-financing of the Ethiopia Productive Safety Net Program ("PSNP" or "Program"), proposes to extend to the Recipient, a grant in an amount not to exceed one hundred eighteen million three hundred twenty six thousand eight hundred and eight United States Dollars (US$118,326,808) ("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..."
II.E. Ato Sufian Ahmed

March 24, 2015

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 table in the Annex to this amendment letter.

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

Please confirm your agreement to the amendment by countersigning, dating 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.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By ________________________________
Guang Z. Chen
Country Director for Ethiopia
Africa Region

AGREED:

ON BEHALF OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By ________________________________
AHMED SHIDE
Authorized Representative
State Minister

Date: ________________________________
## 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>Safety Net Grants</td>
<td>106,276,369.63</td>
<td>Such percentage of expenditures IDA may determine each fiscal year</td>
</tr>
<tr>
<td>Goods</td>
<td>2,774,825.00</td>
<td>Such percentage of expenditures IDA may determine each fiscal year</td>
</tr>
<tr>
<td>Consultant Services</td>
<td>1,569,161.77</td>
<td>Such percentage of expenditures IDA may determine each fiscal year</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>7,706,451.60</td>
<td>Such percentage of expenditures IDA may determine each fiscal year</td>
</tr>
<tr>
<td>TOTAL</td>
<td>118,326,808</td>
<td></td>
</tr>
</tbody>
</table>