February 18, 2011

Ref: WB-CD/045/02/18/2011

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

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

Dear Ato Sufian:

Ethiopia: Multi-Donor Trust Fund Grant for the Co-financing of Sub-program A (i) under the Protection of Basic Services Program (Phase II) Project (Grant No. TF094641)

Fifth Amendment to Grant Agreement

We refer to the Grant Agreement ("Agreement") dated June 19, 2009, as amended, between the International Development Association ("World Bank"), acting as an administrator of the Multi-donor Trust Fund ("MDTF") for the Co-financing of Sub-program A (i) under the Protection of Basic Services Program (Phase II) Project ("PBS Phase II Project") and the Federal Democratic Republic of Ethiopia (the "Recipient").

We are pleased to inform you that the World Bank has recently received additional donor contributions for the MDTF, Consequently, we propose to amend the Agreement as follows:

1. Section 3.01 of the Agreement is amended to read as follows:

   "3.01. 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 three hundred fifty three million four hundred forty-two thousand five hundred seventy seven United States Dollars ($353,442,577) ("Grant") to assist in financing the Project."
2. The table in Section A.2 of Schedule 2 is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Block Grants</td>
<td>353,442,577</td>
<td>Such percentage of Eligible Expenditures as the World Bank may determine for each six monthly period of the EFY</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>353,442,577</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 the World Bank 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

/s/ Kenichi Ohashi
By __________________________
Kenichi Ohashi
Country Director for Ethiopia
Africa Region

AGREED:

ON BEHALF OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: _____/s/ Ahmed Shide__________
Name: __________________________
Title: _______ State Minister________
Date: _____18 Feb 2011__________
Cleared with: Nadeem (LEGAF); ____________ (CTRFC); _____________ (TACT)