



20-Dec-2023

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H.E. Bihi Iman Egeh  
Minister of Finance  
Federal Government of Somalia  
Mogadishu, Somalia

Excellency:

***Somalia: Shock Responsive Safety Net for Human Capital Project  
(Grant Numbers: D510-SO, D856-SO, and E077-SO)  
Letter of Amendment***

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We refer to the: (a) financing agreement between the Federal Republic of Somalia (the “Recipient”) and the International Development Association (the “Association”) dated August 20, 2019 (the “Original Financing Agreement”) as amended; (b) financing agreement between the Recipient and the Association, dated June 27, 2021 (the “First Additional Financing Agreement”) as amended; and (c) financing agreement between the Recipient and the Association, dated July 6, 2022 (the “Second Additional Financing Agreement”) (collectively, “Agreements”) - for the Shock Responsive Safety Net for Human Capital Project (the “Project”).

We further refer to the third additional financing for the Project, recently approved by the Association’s Board on December 15, 2023, which entails some modest restructuring to the Project.

Accordingly, we are pleased to inform you that the Association hereby proposes to:

- (a) amend paragraph A.3 of Schedule 1 to the Agreements as set forth below:

*“Providing Emergency Cash Transfers to poor and vulnerable households not registered in the Cash Transfer Program, affected by the 2021-2022 drought crisis and 2023-2024 floods.”*

- (b) extend the Closing Date set forth in Section III.B.2 of Schedule 2 to the Original Financing Agreement, Section II.B.2 of Schedule 1 to the First Additional Financing Agreement, and Section III.B(2) of Schedule 2 to the Second Additional Financing Agreement, till December 31, 2025;
- (c) revise the withdrawal tables set forth in Section III.A(1) of Schedule 2 to the Original Financing Agreement, Section II.A of Schedule 1 to the First Additional Financing Agreement, and Section III.A of Schedule 2 to the Second Additional Financing Agreement, as set forth in annexes I, II, and III to this letter of amendment (“Amendment Letter”) respectively;
- (d) amend each of the Appendix in the Agreements by introducing the new additional paragraphs set forth below, and the remaining paragraphs in each appendix renumbered accordingly:

- (i) *“Operating Costs” means reasonable incremental Project-related costs incurred by, or on behalf of the Recipient, on account of the carrying out of Project activities, including office rental, office consumables, utility fees, operation and maintenance of office equipment and vehicles, bank charges, advertising and media projections costs, newspaper and periodical subscriptions, printing and stationery costs, in-country travel costs, boarding/lodging and per-diems for Project staff, and salaries of contractual staff (other than consultants) required for Project management, but excluding salaries of civil servants.*
- (ii) *“Training” means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient, or, subject to prior approval by the Association, attended abroad by the Recipient’s or federal member states officials and staff in connection with the Project, including the purchase and publication of materials, rental of facilities, course fees and travel and subsistence of trainees.”*
- (e) amend the definitions in paragraphs 8 and 9 of the Appendix to the Second Additional Financing Agreement as set forth below:
- (i) *“8. “ECT Beneficiaries” means the beneficiaries of the poor and vulnerable households not registered under the CTP, affected by the 2021-2022 drought and/or **2023-2024 floods**, and eligible to receive the cash transfers provided under Part A.3 of the Project, pursuant to the criteria set forth in the Project Operations Manual.”*
- (ii) *“9. “Emergency Cash Transfers” means the short-term emergency cash transfers (to be) provided to poor and vulnerable households not covered under the CTP, who have been affected by the 2021-2022 drought and/or **2023-2024 floods**, in the amounts and pursuant to the eligibility criteria, protocols and regulations set forth in the Project Operations Manual.”*

The capitalized terms used in this Amendment Letter and not defined herein have the meaning ascribed to them in the Agreements. Except as specifically amended herein, all other provisions of the Agreements shall remain in full force and effect.

Please confirm your agreement, on behalf of the Recipient, to the amendments mentioned above by countersigning and dating this Amendment Letter. This Amendment Letter shall be deemed effective upon the effectiveness of the financing agreement for the Third Additional Financing for the Project (Grant No. E283-SO).

Sincerely,

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

*Ragini Praful Dalal*

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Ragini Praful Dalal  
Acting Country Director  
Kenya, Rwanda, Somalia, and Uganda  
Eastern and Southern Africa Region

**CONFIRMED AND AGREED:**  
FEDERAL REPUBLIC OF SOMALIA

By:           *H.E. Bihi Iman Egeh*            
          Authorized Representative

Name:           H.E. Bihi Iman Egeh          

Title:           Minister of Finance          

Date:           22-Dec-2023

**Annex I**  
**(Grant Number D510-SO)**

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Cash Transfer under Part A.1 of the Project	34,415,792	100%
(2) Goods, non-consulting services, and consulting services for Part A.2 of the Project	3,479,083	100%
(3) Goods, non-consulting services, and consulting services for Part B of the Project	4,589,247	100%
(4) Goods, non-consulting services, consulting services, Operating Costs, and Training for Part C of the Project	4,315,876	100%
<b>TOTAL AMOUNT</b>	<b>46,800,000</b>	

**Annex II**  
**(Grant Number D856-SO)**

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Cash Transfers under Part A.1 of the Project	67,084,795	100%
(2) Goods, works, non-consulting services, and consulting services for Part A.2 of the Project	4,815,190	100%
(3) Goods, non-consulting services, consulting services, Operating Costs, and Training for Part C of the Project.	4,800,013	100%
<b>TOTAL AMOUNT</b>	<b>76,700,000</b>	

**Annex III**  
**(Grant Number E077-SO)**

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Cash Transfers under Part A.1 and Emergency Cash Transfers under Part A.3 of the Project	63,570,847	100%
(2) Goods, works, non-consulting services, and consulting services for Part A.2 and Part D of the Project	8,668,752	100%
(3) Goods, non-consulting services, and consulting services, Training, and Operating Costs for Part C of the Project	34,160,401	100%
<b>TOTAL AMOUNT</b>	<b>106,400,000</b>	