

May 22, 1998

Arab Republic of Egypt
c/o Ministry of Economy and
International Cooperation
8 Adly Street
Cairo
Arab Republic of Egypt

Re: Credit No. 3076-EGT
(Health Sector Reform Project)
Supplemental Letter - General Conditions and Effectiveness

Dear Sirs and Mesdames:

We refer to the Development Credit Agreement (the Credit Agreement) between the Arab Republic of Egypt (the Borrower) and the International Development Association (the Association) of even date herewith for the above Project, and to the General Conditions Applicable to Development Credit Agreements, dated January 1, 1985, as amended through December 2, 1997 (attached as an Annex to this letter and hereinafter referred to as the General Conditions).

We confirm that:

(a) pursuant to the provisions of Section 1.01 of the Credit Agreement, the General Conditions constitute an integral part of the Credit Agreement; and

(b) the legal requirements for the effectiveness of the Credit Agreements are set forth in Article VI of the Credit Agreement, and Article XII of the General Conditions.

Please confirm your agreement with the above clarification by signing the form of confirmation below.

Very Truly Yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Khalid Ikram
Authorized Representative

CONFIRMED BY:

ARAB REPUBLIC OF EGYPT

By /s/ Zafer El-Bishry
Authorized Representative

