

REPUBLIC OF YEMEN

September 12, 1997

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Interim Fund Credit No. N034-YEM
(Seeds and Agricultural Services Project)
Payment of Contracts

Dear Sirs:

We refer to Sections 2.28 through 2.33 of the Guidelines for Procurement under IBRD Loans and IDA Credits published by the International Development Association (the "Association") in January 1995. Until such time as the official rate of exchange of the Yemeni Rial is equivalent to the market rate of exchange, we agree that contracts to be financed by the Administrator under the above-referenced Interim Fund Credit will be entirely expressed in a currency or currencies widely used in international trade.

Moreover, in the event that a portion of such contracts may be paid in Yemeni Rials, that portion shall not exceed the amount to be financed by us. We further agree that the market rate of exchange prevailing on the date of payment shall apply for the purposes of calculating the payments for any portion of such contracts to be paid in Yemeni Rials.

Very truly yours,

REPUBLIC OF YEMEN

By /s/ Abdulwahab Al-Hajjri
Authorized Representative

CONFIRMED:

INTERNATIONAL DEVELOPMENT ASSOCIATION as Administrator of the interim trust fund established with funds contributed by certain members of International Development Association pursuant to Resolution No. IDA 184 of the Board of Governors of International Development Association

By /s/ Inder K. Sud
Acting Regional Vice President
Middle East and North Africa

