

April 16, 1997

H.E. Dr. Abdul Kader Ba-Ja'amal
Deputy Prime Minister and
Minister of Planning and
Development
Sana'a, Republic of Yemen

Re: YEMEN: Credit No. 2570
Education Sector Investment Project
Amendment to the Development Credit Agreement

Your Excellency,

We refer to the Development Credit Agreement between the Republic of Yemen (the Borrower) and the International Development Association (the Association) dated March 23, 1994 (the Development Credit Agreement). We also refer to your request contained in your letters dated December 3, 1996, and March 9, 1997, to amend the table set forth in paragraph 1 of Schedule 1 (Withdrawal of the Proceeds of the Credit) to increase the percentage of expenditures to be financed under Categories (1) and (3) and to introduce a new Category to permit the financing of the operating costs of the Coordination Unit of the Project.

We are pleased to inform you that the Association, after due consideration, has acceded to the above request. Accordingly, the Development Credit Agreement is hereby amended to read as follows:

1. The table set forth in paragraph 1 of Schedule 1 is modified to read as follows:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil Works under Part A (1) of the Project	5,900,000	95%
(2) Equipment, Fur- niture, Printing, Supplies, Educa- tion Materials and Vehicles under Parts A and B of the Project	9,600,000	100% of foreign expenditures and 90% of local expenditures
(3) Consultants' Services and Fellowships	6,000,000	100%
(4) Operating Costs	700,000	100%
(5) Unallocated	1,700,000	
TOTAL	<u>23,900,000</u> =====	

2. Paragraph 2 of Schedule 1 is modified as follows:

- (i) the word "and" at the end of subparagraph (a) is deleted;
- (ii) the period at the end of subparagraph (b) is replaced by "; and"; and
- (iii) a new subparagraph (c) to read as follows is added:

"(c) the term "Operating Costs" means expenditures for office equipment, supplies, telephone, utility charges and staff salaries of personnel in the Coordination Unit."

3. Paragraph 1 (a) of Schedule 5 is amended to read "(a) the term "eligible Categories" means Categories (1), (2), (3) and (4) set forth in the table in paragraph 1 of Schedule 1 to this Agreement; " ~ Please confirm your agreement with the foregoing amendments, by signing and dating the confirmation on the enclosed copy of this Letter and returning it to us.

This amendment shall enter into effect on the thirtieth (30th) day of the month in which it has been countersigned and returned to us.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Inder K. Sud
Director
Middle East Department
Middle East and North Africa Region

AGREED AND CONFIRMED:

REPUBLIC OF YEMEN

By: _____
Authorized Representative

Date: _____

