His Excellency  
Mr. Wilfredo Cerrato  
Minister of Finance  
Secretaría de Estado en el Despacho de Finanzas  
Avenida Cervantes, Barrio El Jazmín,  
Tegucigalpa, M.D.C.  
Republic of Honduras

Re: Honduras: Credit 5190-HN  
(Disaster Risk Management Project)  
First Amendment to the Financing Agreement.

Dear Minister Cerrato:

We refer to the Financing Agreement between the Republic of Honduras (the Recipient) and the International Development Association (the Association), dated December 18, 2012 (the Financing Agreement) for the above-captioned Project. Please note that the capitalized terms used in this letter (the Amendment Letter) and not defined herein have the meaning ascribed to them in the Financing Agreement.

We also refer to your letter No. DGCP-DEN-312/2015, dated July 21, 2014 and subsequent conversations held between the Recipient and the Association, wherein a request was made to amend the Financing Agreement. We are pleased to inform you that the Association hereby agrees to your request in the terms described below. Consequently, the Financing Agreement is hereby amended as follows:

1. Part I.1 in Schedule 1 to the Financing Agreement is hereby amended to read in its entirety as follows:

   “1. Strengthening SDP’s territorial planning capacity, through, inter alia: (a) the provision of training and acquisition of equipment and software for territorial planning; (b) the consolidation and connectivity of SINIT and RENOT under SINAP; and (c) the update and dissemination of a standardized methodology for territorial planning.”

2. Part I.4 in Schedule 1 to the Financing Agreement is hereby amended to read in its entirety as follows:

   “4. Strengthening the Recipient’s DRM monitoring and modeling capacity, by: (a) supporting COPECO, through, inter alia: (i) the consolidation of early warning
systems for landslides and of the metropolitan wireless network, including: (A) the acquisition of monitoring and communication equipment; (B) the provision of training; and (C) the development of early warning protocols; (ii) the establishment of a seismic monitoring network; and (iii) the provision of training on probabilistic hazard and disaster risk modeling; and (b) supporting MIAMBIENTE, through, *inter alia*, the acquisition of software, and equipment and the provision of training on hydrological and hydraulic modeling.”

3. The Appendix to the Financing Agreement is hereby amended as follows:

(a) The “SEIP”, “SEPLAN” and “SERNA” definitions are hereby deleted (as a result, the remaining definitions are renumbered to maintain alphabetical order).

(b) The following definitions are hereby added and placed in alphabetical order (as a result, the remaining definitions are renumbered to maintain alphabetical order):

"“MIAMBIENTE” means *Secretaría de Recursos Naturales, Ambiente y Minas*, the Recipient’s Ministry of Natural Resources, Environment and Mining, or its successor acceptable to the Bank.”

"“SDHJGD” means *Secretaría de Derechos Humanos, Justicia, Gobernación y Descentralización*, the Recipients’ Ministry of Human Rights, Justice, Government and Decentralization, or its successor acceptable to the Bank.”

"“SDP” means *Secretaría de la Presidencia*, the Recipient’s Ministry of the Presidency, or its successor acceptable to the Bank.”

(c) The following definitions are hereby amended to read in their entirety as follows:

"“AHMON” means *Asociación de Municipios de Honduras*, the Recipient’s Association of Municipalities, or its successor acceptable to the Bank.”

"“CAH” means *Colegio de Arquitectos de Honduras*, the Recipient’s National Association of Architects, or its successor acceptable to the Bank.”

"“CCIVS” means *Comisión de Control de Inundaciones del Valle Sula*, the Recipient’s Flood Control Commission of the Sula Valley, or its successor acceptable to the Bank.”
"CICH" means Colegio de Ingenieros Civiles de Honduras, the Recipient’s National Association of Civil Engineers, or its successor acceptable to the Bank."

"Collaborating Agency" means any agency in the Recipient’s territory, selected to collaborate in the Project, in a manner acceptable to the Association, including the CAH, CICH, UNAH, SDHJGD, SE, CCIVS and IP."

"COPECO" means Comisión Permanente de Contingencias, the Recipient’s Disaster Risk Management Agency created by the COPECO’s Legislation, or its successor acceptable to the Bank."

"Co-executing Agency" means any of the following agencies: SDP, MIAMBIENTE and AHMON."

"RENOT" means Registro Nacional de Normativas de Ordenamiento Territorial, the Recipient’s National Territorial Planning Norms Registry, or its successor acceptable to the Bank."

"SE" means Secretaría de Educación, the Recipient’s Ministry of Education, or its successor acceptable to the Bank."

"SEFIN" means Secretaría de Finanzas, the Recipient’s Ministry of Finance, or its successor acceptable to the Bank."

"SINAGER" means Sistema Nacional de Gestión de Riesgos, the Recipient’s National System for Risk Management, or its successor acceptable to the Bank."

"SINAP" means Sistema Nacional de Administración de la Propiedad, the Recipient’s National Property Administration System, or its successor acceptable to the Bank."

"SINIT" means Sistema Nacional de Información Territorial, the Recipient’s National Territorial Information System, or its successor acceptable to the Bank."

"UNAH" means Universidad Nacional Autónoma de Honduras, the Recipient’s National Autonomous University, or its successor acceptable to the Bank."

Please confirm your agreement with the foregoing amendment by signing, dating and returning to us this Amendment Letter. Thereafter, all the provisions of the Financing Agreement, except as amended through this Amendment Letter, shall remain in full force and effect. This Amendment Letter shall be executed in two (2) counterparts each of which shall be an original.
Please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective upon receipt by the Association of an original countersigned Amendment letter.

Please note that the approved Restructuring Paper dated August 27, 2015 will be disclosed on the Association’s external website.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

J. Humberto López
Director
Central America
Latin America and the Caribbean Region

AGREED

REPUBLIC OF HONDURAS

By: __________________________

(Authorized Representative)

Name: Wilfredo Ramírez

Title: Minister of Finance

Date: October 6, 2015