June 7, 2016

Her Excellency Hadizatou Rosine Coulibaly/Sori
Minister of Economy, Finance and Development
Ministry of Economy, Finance, and Development
Ouagadougou
Burkina Faso

Your Excellency:

**Burkina Faso – Bagré Growth Pole Project**
**Amendment to the Financing Agreement (Grant No. H727-BF)**

We refer to the Financing Agreement (the Financing Agreement), dated July 4, 2011, between Burkina Faso (the Recipient) and the International Development Association (the Association), for the above referenced project (the Project). We also refer to your letter dated December 14, 2015, requesting certain amendments to the Financing Agreement.

We are pleased to inform you that the Association agrees with your request and therefore proposes to amend the Financing Agreement as follows:

1. Parts A(2)(a) and A(2)(b) of the Project in Schedule 1 to the Financing Agreement are amended to read as follows (emphasis added):

   (a) Carrying out of a program to improve the capacity of BDA to ensure the efficient and effective: (i) spatial planning, design and oversight of the construction of infrastructure in the Project Area; (ii) investment promotion in the Project Area, **including investor follow-up and marketing**; (iii) operation and maintenance of the Project Area infrastructure (including irrigation systems, roads and utilities); and (iv) delivery of irrigation water and other critical services to investors in the Project Area; all through the engagement of one or more private operators.

   (b) Carrying out of a program to enhance the capacity of the Burkina Faso Business Association (“BFBA”) to provide business development services and facilitate private investment in the Project Area, through: (i) the simplification and streamlining of procedures for registration of enterprises and delivery of building permits as well as of business services and training; (ii) the installation of a network designed to improve BFBA’s information technology platform, and its processes for business registration and licensing; (iii) **investment promotion capacity building**, including for investor follow-up and marketing; and (iv) construction of a field office and one-stop-shop for business regulation and other investment facilitation for BFBA.
2. Parts B(3), B(4) and B(5) of the Project in Schedule 1 to the Financing Agreement are deleted in their entirety.

3. The table in Section IV.A.2 of Schedule 2 of the Financing is amended to read as follows (emphasis added):

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, services, Training and Operating Costs for Part A (excluding Part A(2)(b)), and Part B of the Project</td>
<td>59,280,000</td>
<td>80% for Operating Costs; and 100% for all other expenditures</td>
</tr>
<tr>
<td>(2) (a) Goods, services, Training and Operating Costs for Part A(2)(b) and Part C(2) of the Project (b) Services for Sub-projects financed out of the proceeds of Matching Grants under Part C(1) of the Project</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>80,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(5) Goods, services, Training and Operating Costs for Part A(2)(b) and Part C(2) of the Project</td>
<td>2,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Refund of Preparation Advance (IDA Q9350)</td>
<td>1,640,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>71,000,000</td>
<td></td>
</tr>
</tbody>
</table>

4. Section IV.B.2 of Schedule 2 to the Financing Agreement is amended to read as follows (emphasis added):

“The Closing Date is November 30, 2018.”

5. Section IV.B of Schedule 2 to the Financing Agreement is amended by the insertion of a new paragraph 3 to read as follows:

“For the avoidance of doubt, expenditures incurred by the Recipient after the date of this
Agreement for works in connection with the construction of a one-stop-shop and field office for BFBA under Part A(2)(b)(iv) of the Project shall be eligible for financing under the Grant under Category (5).”

6. Section I (Definitions) of the Appendix to the Financing Agreement is amended by the insertion of the following definition in the appropriate alphabetical order (and the succeeding paragraphs shall be deemed renumbered accordingly):

“Preparation Advance (IDA Q9350)” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and the Recipient on October 10, 2014 (Preparation Advance No. Q9350).”

All other provisions of the Financing Agreement, except as herein amended, shall remain in full force and effect.

Please indicate your agreement with the foregoing amendments to the Financing Agreement on behalf of the Recipient by countersigning and dating two original copies of this letter and returning one countersigned original to us. The amendments to the Financing Agreement shall become effective as of the date of this letter upon receipt by the Association of a duly countersigned original of this letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By Pierre Laporte
Country Director for Burkina Faso
Africa Region

AGREED:

BURKINA FASO

By: Authorized Representative

Name: HADJATOU ROSINE
Title: MINISTRE DE L’ECONOMIE DES FINANCES ET DU DEVELOPPEMENT
Date: 30 juin 2016