H.E. Dragan Vrankic  
Minister of Finance and Treasury  
Trg Bih 1 71000 Sarajevo  
Bosnia and Herzegovina

Re: Agriculture and Rural Development Project (Credit No. 4325-BOS)  
Amendment to Financing Agreement

Excellency:

We refer to the Financing Agreement for the above mentioned project between Bosnia and Herzegovina (the Recipient) and the International Development Association (the Association) dated August 31, 2007 (the Financing Agreement). We also refer to letters dated December 14, 2009 and April 21, 2010 requesting to increase percentage of expenditures to be financed by the financing under certain disbursement categories and to amend the Financing Agreement accordingly.

We are pleased to inform you that the Association has acceded to your request. Therefore, the Financing Agreement is hereby amended as follows:

In the table in paragraph 2 of Part A of Section IV of Schedule 2 percentage of expenditures to be financed under Categories 2 (a), 2 (b), 5, 7, 10 and 12 is revised to read “85%”.

All the other terms and conditions of the Financing Agreement, as modified hereby, shall remain in full force and effect.

Please confirm your agreement with the foregoing modifications on behalf of the Recipient by signing, dating and returning to us one of the enclosed copy of this Amendment Letter. The Amendment Letter will become effective as of the date of your countersignature upon receipt by the Association of the countersigned copy of this Letter.

Sincerely,

/s/Jane Armitage  
Country Director  
South East Europe  
Europe and Central Asia

CONFIRMED AND AGREED:

BOSNIA AND HERZEGOVINA

By: /s/DraganVrankic  
Minister of Finance and Treasury  
September 17, 2010