His Excellency M. Abdoulaye Diop  
Minister of State,  
Minister of Economy and Finance  
Dakar, Sénégal

Re: Senegal – Advance Agreement for the Preparation of the PRSC-V  
(PPA Q727-SE)

Honorable Minister:

It has come to our attention that a drafting mistake was inserted in the Grant Agreement for the Project Preparation Advance for the PRSC-V (PPA Q727-SE) that was signed on June 24, 2010.

As such, we propose to revise the PPA Grant Agreement dated June 24, 2010 for the above-referenced Project by deleting Sections 4.01 and 4.02 in the Annex thereof in their entirety and inserting the following new text in lieu thereof:

“4.01. Service Charge. The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. Repayment. The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) Refinancing under the Refinancing Agreement: If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.
(b) Repayment in the absence of a Refinancing Agreement: If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then:

(i) if the amount of the Withdrawn Advance Balance does not exceed $50,000, it shall be repaid by the Recipient to the World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and

(ii) if the amount of the Withdrawn Advance Balance exceeds $50,000, it (together with service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the “Aggregate Balance”) shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates (“Payment Dates”) which the World Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date (“Notice Date”) of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.”

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

Please confirm that you agree with this approach by countersigning this letter below. This amendment shall become effective as of the date of countersignature of this letter.

Sincerely Yours

/S/ Habib Fetini
Habib Fetini
Country Director for Senegal
Africa Region

ACKNOWLEGED AND AGREED:

/S/ H.E. Abdoulaye Diop
His Excellency M. Abdoulaye Diop
Minister of State,
Minister of Economy and Finance