Mr. William Chong Wong  
Secretary  
Secretaría de Estado en el Despacho de Finanzas  
Tegucigalpa, M.D.C.  
Republic of Honduras  

Re: Honduras: Credit No. 3892-HO (Nuestras Raíces Project)  
Amendment to the Development Credit Agreement  

Dear Sir,  

We refer to the Credit Agreement between International Development Association (the “Association”) and Republic of Honduras (the “Recipient”) dated August 18, 2004, with respect to the above-captioned Project (“Credit Agreement”). Capitalized terms used in this amendment letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Credit Agreement.  

Pursuant to your letter dated July 21, 2010 wherein a request is made to amend the Credit Agreement, we are pleased to inform you that the Association agrees to your request and consequently proposes to amend the Credit Agreement as follows:  

(1) A new definition of “Operating Costs” is included in Part A.2 of Schedule 1 to the Credit Agreement, placed in alphabetical order, (and the existing definitions are consequently renumbered to keep the alphabetical order) to read as follows:  

“Operating Costs” means the incremental expenses incurred on account of Sub-projects implementation, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs of locally contracted employees.”  

(2) The table set forth in Part A.1 of Schedule 1 to the Credit Agreement is hereby amended to read as set forth in the Annex to this Amendment Letter.  

Please confirm your agreement with the foregoing amendment by signing and dating this Amendment Letter in the spaces provided below. This Amendment Letter shall be executed in two counterparts, each of which shall be an original. The provisions set forth herein shall become effective retroactively as of January 19, 2005, upon receipt by the Association of the copy of this Amendment Letter countersigned by you.
Thenceforward, all other provisions of the Credit Agreement, except as amended through this Amendment Letter shall remain in full force and effect.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Laura Frigenti
   Director
   Central America Country Management Unit
   Latin America and the Caribbean Region

AGREED:

REPUBLIC OF HONDURAS

By:   /s/ William Chong Wong
   Authorized Representative

Name:  William Chong Wong

Title:  Secretario de Estado

Date:   July 30, 2010
<table>
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<tr>
<th>“Category”</th>
<th>Amount of the Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed</th>
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<tr>
<td>(1) Goods (including non consultant services which are bid and contracted on the basis of performance of a measurable physical output, such as printing and similar operations)</td>
<td>150,000</td>
<td>100% of foreign expenditures and 88% of local expenditures</td>
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<td>(2) Consultants’ services:</td>
<td></td>
<td>98%</td>
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<tr>
<td>(a) Service Delivery Contracts</td>
<td>100,000</td>
<td></td>
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<tr>
<td>(b) Other (including audits)</td>
<td>650,000</td>
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<td>(3) Payments made to Beneficiaries by FHIS as Sub-projects Grants and related Operating Costs</td>
<td>8,200,000</td>
<td>100%</td>
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<tr>
<td>(4) Training</td>
<td>300,000</td>
<td>100%</td>
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<tr>
<td>(5) Unallocated</td>
<td>700,000</td>
<td></td>
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<tr>
<td>TOTAL AMOUNT</td>
<td>10,100,000</td>
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