H.E. Henri Yav Mulang  
Minister of Finance  
Ministry of Finance  
B.P. 12997  
Blvd. du 30 juin  
Kinshasa/Gombe  
Democratic Republic of the Congo

Democratic Republic of Congo: Urban Development Project  
Grant Number H842-ZR

Amendment to the Financing Agreement

Excellency:

We refer to the Financing Agreement dated June 8, 2013, between the Democratic Republic of Congo (the “Recipient”) and the International Development Association (the “Association”), the “Agreement”).

We also refer to your letter dated February 9, 2016, requesting some amendments to the Agreement. We are pleased to inform you that the Association concurs to your request; we hereby propose to amend the Agreement as follows:

1. Part 2. (b) of Schedule 1 is deleted and replaced with the following:

“(b) Provision of institutional capacity to Target Cities through, inter alia: (i) establishment of an automated financial management system in Target Cities, including a financial management manual, regular reporting, and informational technology hardware; (ii) strengthening of procurement performance in Target Cities; (iii) establishment of asset registers based on a common framework to be developed under Part 2.c(iv) below and maintenance of the said asset registers; (iv) preparation and annual update of an operations and maintenance plan for the asset registers; (v) enhancement of management systems for commercial infrastructure, including markets and transport in Target Cities; (vi) preparation of Local Development Plans for the Target Cities and provision of support to Target Cities’ implementation of participatory budgeting; (vii) provision of overall technical assistance through the use of select experts for relevant on-the-job training; (viii) provision of support towards south-south exchange for Target Cities on urban management and decentralization; and (ix) provision of support towards the preparation of Urban Development Plans for the Target Cities.”

2. Part 2. (c) of Schedule 1 is deleted and replaced with the following:

“(c) Support to Recipient’s central and provincial agencies through, inter alia: (i) strengthening the capacity of central and provincial agencies to support Target Cities in areas of asset management, budgeting, procurement, and monitoring and evaluation; (ii) strengthening the capacity of OVD and BEAU in Project monitoring and evaluation, economic analysis, programming and maintenance of
investments, and asset management; (iii) training of select construction companies and work-supervision consultants on use of labor-intensive construction techniques and use of local construction materials; (iv) preparation and dissemination of a common framework for the establishment and operation of asset management; (v) carrying out of annual performance assessments of the Target Cities and establishment of the modalities for a sustainable performance assessment mechanism to be maintained beyond the Project; (vi) carrying out of studies on the revision of urban planning and other related legislation (vii) technical assistance to strengthen the capacity of selected ministerial departments responsible for monitoring and evaluation; (viii) outreach and awareness-raising campaigns for the purpose of promoting transparency in Project implementation; and (ix) provision of logistical support to the Court of Auditors to undertake annual external audit of the Target Cities’ budget.”

3. The table in Section IV A. of Schedule 2 is deleted and replaced with the following:

<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, works, non-consulting services, consultants’ services, Training and Operating Costs for the Project except Part 2(a) of the Project</td>
<td>45,419,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works and consultants’ services for Subprojects under Part 2(a) of the Project</td>
<td>19,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>781,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>66,100,000</td>
<td></td>
</tr>
</tbody>
</table>

All provisions of the Agreements which are not expressly modified in accordance with this letter remain unchanged.
Please indicate your agreement with the foregoing, by countersigning and dating the two original copies of this letter and returning one countersigned original copy to the Association. Upon receipt by the Association of said original countersigned by the authorized representative of the Recipient and dated, this amendment shall become effective as of the date of countersignature of this letter.

Sincerely,

Ahmadou Moustapha Ndiaye
Country Director for DRC
Africa Region

CONFIRMED:

DEmOCRATIC REPUBLIC OF CONGO

By: [Signature]

Authorized Representative

Name: Henri YAV MULANG

Date: 24 Juin 2016