H.E. Vjekoslav Bevanda  
Minister  
Ministry of Finance and Treasury  
Trg BiH1  
71000 Sarajevo  
Bosnia and Herzegovina

Your Excellency:

Re: Bosnia and Herzegovina  
Floods Emergency Recovery Project (Credit No. 5529-BA)  
First Amendment to the Financing Agreement

Reference is made to the Financing Agreement ("Financing Agreement"), dated July 21, 2014 for the above-listed Project between the International Development Association ("Association") and Bosnia and Herzegovina ("Recipient"). Reference is also made to your letter dated November 20, 2015, requesting on behalf of the Recipient a reallocation of proceeds of the Financing and changes to the Project indicators and Results Framework.

We are pleased to inform you that, after due consideration, the Association concurs with the proposed Project restructuring to: (a) reallocate funds between disbursement categories; and (b) amend the Project description to permit the purchase of goods under Part 3.B of the Project. Consequently, the Financing Agreement is amended as follows:

1. Schedule I, Part A, paragraph 3.B shall be amended to read as follows:

   “Strengthening the institutional capacity of the Federation and local authorities within the Federation to a proactive approach of risk management, through the provision of goods, technical assistance and training.”

2. Schedule I, Part B, paragraph 3.B shall be amended to read as follows:

   “Strengthening the institutional capacity of the RS and local authorities within the RS to a proactive approach of risk management, through the provision of goods, technical assistance and training.”

3. Schedule I, Part C, paragraph 3B shall be amended to read as follows:

   “Strengthening the institutional capacity of the Brčko District to a proactive approach of risk management, through the provision of goods, technical assistance and training.”

4. The table in Schedule 2, Section IV, Part A, paragraph 2 of the Financing Agreement shall be amended to read as follows:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Eligible Essential Goods and Commodities for Part A.1. of the Project</td>
<td>9,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants' services, Training, and Incremental Operating Costs for Parts A.2. and A.3. of the Project</td>
<td>20,975,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Eligible Essential Goods and Commodities for Part B.1. of the Project</td>
<td>10,350,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, works, non-consulting services, consultants' services, Training, and Incremental Operating Costs for Parts B.2. and B.3. of the Project</td>
<td>20,525,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Eligible Essential Goods and Commodities for Part C.1. of the Project</td>
<td>912,500</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Goods, works, non-consulting services, consultants' services, Training, and Incremental Operating Costs for Parts C.2. and C.3. of the Project</td>
<td>2,337,500</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>65,000,000</td>
<td></td>
</tr>
</tbody>
</table>

All the other terms and conditions of the Financing Agreement, as amended hereby, shall remain in full force and effect.
Please confirm your agreement to the foregoing amendments to the Financing Agreement, on behalf of Bosnia and Herzegovina, by signing and dating the confirmation on the enclosed copy of this amendment letter and returning it to us. This Amendment will come into force and effect as of the date of countersignature by the Recipient and upon receipt by the Bank of the said duly countersigned original amendment letter.

Sincerely,

[Signature]

Ellen A. Goldstein
Country Director
South East Europe Country Unit
Europe and Central Asia Region

CONFIRMED AND AGREED:

BOSNIA AND HERZEGOVINA

By: [Signature]

Title: MINISTER

Date: 30 MAY, 2016