H.E. Mr. Lucien Marie Noël BEMBAMBA
Minister of Economy and Finance
Ministry of Economy and Finance
03 BP 7008 Ouagadougou 03
Burkina Faso

Excellency:

Re: Burkina Faso: Decentralized Urban Capacity Building Project
IDA Credit No.4311-BUR
Amendment to the Financing Agreement

We refer to the Financing Agreement dated June 22, 2007, between Burkina Faso and the International Development Association ("Association") for the above-mentioned project ("Financing Agreement") as amended. We also refer to your letter dated October 17, 2012, requesting certain modifications to the Financing Agreement.

We are pleased to inform you that the Association has agreed to your request and consequently, the Financing Agreement is amended as follows:

1. Table under Paragraph A.2 of Section IV of Schedule 2 to the Financing Agreement is replaced by the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (Expressed in SDR equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Consultant's Services, Incremental Operating Cost and Training for Part 1 of the Project</td>
<td>2,350,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Consultant's Services, and Incremental Operating Cost for Part 2 of the Project</td>
<td>2,450,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, Consultant's Services, Training, Aids, and Incremental Operating Cost for Part 3 of the Project</td>
<td>1,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Refund of the Project Preparation Advance</td>
<td>450,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>350,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6,700,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
2. The Appendix to the Financing Agreement is amended to insert, immediately after the definition of “General Conditions”, the following definition of “Incremental Operating Costs”, and the subsequent definitions are renumbered accordingly:

   “3. “Incremental Operating Costs” means reasonable expenditures directly related to the Project, incurred by the Recipient (which expenditures would not have been incurred absent the Project) including expenditures for Project staff travel, lodging and per diem, consumable materials, rental expenses, office and office equipment maintenance, utilities, office supplies, insurance costs, communications services (including postage handling, telephone and internet costs), publication services, document duplication/printing, translation services, office space rental and utilities, maintenance of office equipment and operation, and operation and maintenance of vehicles, but excluding salaries, fees and honoraria of members of the Recipient’s civil service.”

   It is the Association’s policy to make publicly available this Letter of Amendment. By confirming its agreement below, Burkina Faso consents to disclosure of this Letter of Amendment after Letter of Amendment has become effective.

   Except as specifically amended hereby, all other terms and conditions of the Financing Agreement shall remain unchanged and in full force and effect.

   Please confirm your agreement with this Letter of Amendment by countersigning, dating, and returning to us the enclosed copy of this letter. Upon receipt by the Association of the countersigned copy of this Letter of Amendment, this amendment shall become effective as of the Effective Date of the Financing Agreement.

   Very truly yours,

   INTERNATIONAL DEVELOPMENT ASSOCIATION

   By

   By

   Madam M. Tall
   Country Director for Burkina Faso
   Africa Region

   AGREED:
   BURKINA FASO

   By:

   Name: Lucien Marie Noël BEMBAMBA
   Title: Minister of Economy and Finance
   Date: 26 Nov. 2012