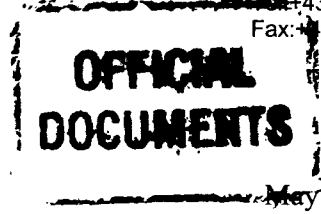


ELLEN GOLDSTEIN
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02-5529-BA

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 1, 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 1, 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 1, 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: