

June 22, 2000

His Excellency Charles Nihangaza  
Minister of Finance  
Ministry of Finance  
Bujumbura, Burundi

Excellency:

BURUNDI: Credit No. 2288BU (Water Sector Supply Project) Amendment  
Development Credit Agreement (Schedule 2/Financing of Studies related to  
the Privatization of REGIDESO)

We refer to the draft Development Credit Agreement (the Agreement), dated August 7, 1991 for the above-mentioned Project between the Republic of Burundi (the Borrower) and the International Development Association (the Association). We also refer to your letter, dated June 12, 2000 in which you requested us to amend Schedule 2 of the Agreement in order to allow for the financing of studies related to the preparation of the privatization of REGIDESO.

We are pleased to inform you that the Association accedes to your request and consequently proposes to hereby amend the Agreement as follows (with the changes indicated in bold):

Paragraph 3 of Schedule 2 to the Agreement is amended as follows:

"3. Institution Building:

(a) Strengthening including carrying out a reorganization study of DGHER, acquisition of equipment and staff training.

(b) Strengthening of PAEMR Project Unit, acquisition of equipment and staff training.

(c) Training of communal water board staff and of water supply attendants.

(d) Assistance to the privatization of REGIDESO, including the carrying out of a technical audit of its activities and the development of a financial model.

All other provisions of the Agreement, except as amended herein, shall remain in full force and effect.

Please confirm your agreement to the amendment by countersigning, dating and returning to us the enclosed copy of this letter, while keeping one original for your records. This amendment shall become effective as of the date of confirmation of this letter.

Sincerely,

By /s/ Emmanuel Mbi  
Country Director for Burundi  
Africa Region

AGREED:

REPUBLIC OF BURUNDI

By /s/ H.E. Charles Nihangaza  
Minister of Finance

Date: \_\_\_\_\_

