

November 21, 1991

General Director of
Banque de l'Habitat du Senegal
Dakar
Senegal

Re: Credit No. 1884 SE
(Municipal and Housing Development Project)
Amendment to the Project Agreement between
the Banque de l'Habitat du Senegal (BHS) and
the International Development Association
(Association)

Dear Sir.

We refer to the Project Agreement signed on May 27, 1988, between the Banque de l'Habitat du Senegal (BHS) and the Association for the above mentioned Project, as well as to, the letter dated August 9, 1991 of the Minister of Economy, Finance, and Plan. I am pleased to, inform you that the Association agrees to your request to update the discount rate defined in the said Project Agreement, in order to conform these financial conditions with the new regulatory framework adopted by the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO).

Consequently, the Association proposes to hereby amend the said articles of the Development Credit Agreement and the Project Agreement to read in its entirety as follows.

Project Agreement between the Association and BHS

- Article II, Section 2.01, (b), (ii):

"make Sub-loans to local governments at an annual variable interest rate equal, at all times, to the discount rate of BCEAO with a maturity of seven years, including one year of grace, unless otherwise approved by the Association;"

- Article II, Section 2.01, (c), (ii):

"make Sub-loans at an annual variable interest rate equal, at all times, to the discount rate of BCEAO with a repayment period of at least fifteen years; and".

Please indicate your agreement to the foregoing amendments by signing and dating of confirmation below on one of the duplicate originals and returning it to us for our records.

The amendment shall come into force upon : (i) counter signature by you, and (ii) receipt by the Association of the amendments to MCF Agreement and the Tripartite Agreement duly executed.

Please, find attached for information the letter I sent to the Minister of Economy, Finance and Plan amending the Credit Agreement (Credit No 1884 SE) dated May 27, 1988, signed between the Association and the Republic of Senegal.

Very truly yours,

Katherine Marshall
Director
Sahelian Department

Africa Region

CONFIRMED:

REPUBLIC OF SENEGAL

By: Authorized Representative

Date: December 3, 1991

