Dear Mr. Mukherjee:

INDIA: Karnataka Watershed Development Project II
(Credit No. 5087-IN)
Amendment to Project Agreement

We refer to: (i) the Financing Agreement between India ("Recipient") and the International Development Association ("Association") dated February 11, 2013 ("Financing Agreement"); and (ii) the Project Agreement of the same date between the Association and the State of Karnataka (the Project Agreement), all for the Karnataka Watershed Development Project II (the Project).

We also refer to the letter dated November 12, 2014 from the Department of Economic Affairs, Ministry of Finance, requesting a restructuring of the Project, which requires certain amendments to the Financing Agreement and the Project Agreement, and revisions to the Key Performance Indicators as set out in the Project Implementation Plan.

We are pleased to inform you that the Association concurs with the request, and accordingly amends the Project Agreement as set forth below:

1. Section III of the Schedule is amended to read as follows:

   "Section III. Procurement

   All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement."

   Except as specifically amended in this letter, all other terms and conditions of the Project Agreement shall remain in full force and effect. The Financing Agreement is similarly being amended as reflected in an amendment letter to the Financing Agreement of even date herewith.

   Please confirm your agreement to the foregoing on behalf of the State of Karnataka by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully countersigned original of this letter to us. This amendment letter shall become effective as of the date of
the last countersignature of the two amendment letters (including this one) prepared further to the above-mentioned request, upon receipt by the Association of: (i) a duly countersigned original of this letter by the authorized representative of the State of Karnataka; and (ii) a duly countersigned original of the amendment letter to the Financing Agreement by the authorized representative of the Recipient.

With regards,

Yours sincerely,

Onno Ruhl
Country Director, India

Confirmed and agreed:
STATE OF KARNATAKA

By: Kaushik Mukherjee
Name: Kaushik Mukherjee
Title: Chief Secretary
Date: 27/07/2015
cc: Mr. Subhash Chandra Garg, Executive Director (India), the World Bank
     Mr. L. K. Atheeq, Senior Advisor to Executive Director (India), the World Bank

     Mr. Rishikesh Singh, Director (MI), Department of Economic Affairs, Ministry of Finance,
     Government of India, New Delhi
     Mrs. V. K. Jena, Secretary, Department of Land Resources, Ministry of Rural Development,
     Government of India
     Dr. Sandeep Dave, Joint Secretary, Department of Land Resources, Ministry of Rural
     Development, Government of India

     Mrs. Lata Krishna Rao, Additional Chief Secretary and Development Commissioner, Government
     of Karnataka
     Mr. V. Prasad, Principal Secretary, Finance Department, Government of Karnataka
     Mr. Manjunath Prasad, Secretary, Agriculture Department, Government of Karnataka
     Mr. Rajeev Chawla, Principal Secretary, Horticulture Department, Government of Karnataka
     Mr. Shivananda Murthy, IFS, Commissioner and Project Director (Watershed Development
     Department), Government of Karnataka
     Dr. Nanda, Additional Director (F&N) and Executive Director (KSHDA), Horticulture
     Department, Government of Karnataka