Hon. Henry Rotich
Cabinet Secretary
National Treasury
Treasury Building
Nairobi, Kenya

Republic of Kenya: Kenya Informal Settlements Improvement Project
Credit No. 4873–KE, Grant No. TF018327

Amendment to the Financing Agreement and SIDA Co-financing Grant Agreement

Honorable Rotich:


We also refer to the Recipient’s letter dated October 27, 2015, requesting some amendments to the Agreements. We are pleased to inform you that the Association concurs to your request; we hereby propose to amend the Agreements as follows:

1. Credit No. 4873-KE

(a) The following paragraph (D) is added to the preamble to the Agreement:

“(D) the Project is also financed from: (i) and agreement dated July 7, 2015, between the Recipient and the International Development Association, acting as administrator of the SIDA Cofinancing Keya Informal Settlements Improvement Project Single-Donor Trust Fund, in an amount of US$8,300,000 (KISIP Grant No. TF018327) (“SIDA Cofinancing Grant Agreement”); and (ii) an agreement dated December 17, 2015, executed between the Recipient and the Agence Française de Développement (AFD), in an amount of €35,000,000 (“AFD Credit Agreement”).”

(b) The table in Section IV A. 2. to Schedule 2 is deleted and replaced with the following:
(c) Section IV. B. 2. is deleted and replaced with the following:

"2. The Closing Date is May 31, 2018."

(d) The following definition is added to the Appendix to the Agreement, and the remaining definitions are renumbered accordingly.

"1. "AFD Credit Agreement" means the agreement executed between the Recipient and the Agence Française de Développement (AFD) for the purpose of co-financing the Project."

2. Grant No. TF018327

(a) Paragraph (C) of the preamble to the Agreement is amended to read as follows:

“(C) the Project is also financed from: (i) an International Development Association credit (IDA Credit No. 4873-KE, dated May 23, 2011) in the amount of SDR 65,000,000 (variously, "Credit" and "Financing") as amended and restated on July 7, 2015; and (ii) an agreement dated December 17, 2015, executed between the Recipient and the Agence
Française de Développement (AFD), in the amount of €35,000,000 ("AFD Credit Agreement").

(b) The table in Section IV. A. 2. is deleted and replaced with the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods (including vehicles), and consultants’ services for Parts A, B and D of the Project, and training Costs for all parts of the Project</td>
<td>1,600,000</td>
<td>8%</td>
</tr>
<tr>
<td>(2) Goods, works, consultants’ services, for Part C of the Project</td>
<td>6,500,000</td>
<td>8%</td>
</tr>
<tr>
<td>(3) Operating Costs</td>
<td>200,000</td>
<td>8%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>8,300,000</td>
<td></td>
</tr>
</tbody>
</table>

(c) Section IV. B. 2. is deleted and replaced with the following:

"2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is May 31, 2018."

(d) The following definition is added to the Appendix to the Agreement and the remaining definitions are renumbered accordingly:

"1. "AFD Credit Agreement" means the agreement executed between the Recipient and AFD for the purpose of co-financing the Project."

All provisions of the Agreements which are not expressly modified in accordance with this letter remain unchanged.

Please indicate your agreement with the foregoing, by countersigning and dating the two original copies of this letter and returning one countersigned original copy to the Association. Upon receipt by the Association of said original countersigned by the
authorized representative of the Recipient and dated, this amendment shall become
effective as of the date of countersignature of this letter.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

________________________
Diarietou Gaye
Country Director for Kenya
Africa Region

AGREED:
REPUBLIC OF KENYA

By: ________________________
Authorized Representative

Name: Henry Rotich
Title: CABINET SECRETARY, NATIONAL TREASURY
Date: 16-5-2016