Financing Agreement

(Additional Financing for the Kiribati Road Rehabilitation Project)
(and Amendment to the Original Financing Agreement)

between

REPUBLIC OF KIRIBATI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 16 April 2015
FINANCING AGREEMENT

AGREEMENT dated 16 April, 2015, entered into between REPUBLIC OF KIRIBATI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

This Agreement: (i) sets out the terms and conditions related to the Additional Financing for the Kiribati Road Rehabilitation Project; and (ii) amends specific provisions of the Original Financing Agreement (as such term is defined in the Appendix to this Agreement).

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to four million two hundred thousand Special Drawing Rights (SDR 4,200,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are February 15 and August 15 in each year.

2.05. The Payment Currency is Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MPWU in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following:

the amended PRIF Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Minister of Finance.

5.02. The Recipient's Address is:

Ministry of Finance and Economic Development
P.O.Box 67,
Bairiki,
Tarawa

Cable Address: Facsimile:
MINFIN (686) 21307
6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS 248423 (MCI)
Telex: Washington, D.C.
Facsimile: 1-202-477-6391

AGREED at Bairiki, Tarawa, KIRIBATI, as of the day and
year first above written.

REPUBLIC OF KIRIBATI

By

Authorized Representative
Name: Eriati Manaïma
Title: Secretary MFED

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative
Name: FRANZ R. DREES-GROSS
Title: COUNTRY DIRECTOR, EACUF
SCHEDULE 1

Project Description

The objectives of the Project are to improve the condition of South Tarawa’s main road network, and help strengthen road financing and maintenance capacity.

The Project consists of the Original Project but reflects modifications to Parts A.1. The amended Project Description is below.

Part A: Civil Works

1. Carrying out of a program of reconstruction and rehabilitation of the South Tarawa road infrastructure, consisting of the following:

   (a) reconstruction and/or rehabilitation of the following roads or road segments, along with the requisite safety improvements: (i) the main road from St. Anne to the junction with the Ananau Causeway; (ii) the Ananau Causeway to just past the airport terminal; (iii) the road from the Ananau Causeway junction towards Temaiku 1; (iv) the road from Temaiku 1 to the south of the airport, and then west to the Ananau Causeway; and (v) the road from Tanaea to Buota island;

   (b) Rehabilitation of approximately 400m at the Western end of Betio causeway as well as repairs to the Betio Causeway bridge deck;

   (c) rehabilitation of paved roads in Betio and Bairiki, including repairs to localized pavement failures and drainage improvements;

   (d) sealing of up to 8 km (or thereabouts) of unsealed urban feeder roads with high traffic volumes, and improvement of drainage;

   (e) implementation of a road safety improvement program, including street lighting, road signage and pavement markings, to address road safety issues on paved roads not otherwise included in the civil works packages; and

   (f) replacement of approximately 11 km of water main during the construction and rehabilitation of the South Tarawa road infrastructure.

2. Provision of technical advisory services for the design and supervision of the civil works under Part A.1 of the Project.
Part B: Road Sector Reform

Implementation of a reform program to strengthen the road sector and contribute to more sustainable main road infrastructure in South Tarawa, consisting of:

(a) Updating of the Recipient’s road laws and related traffic control legislation;

(b) provision of assistance in the form of: (i) training; (ii) procurement of basic plant and equipment; and (iii) operational support for the management and monitoring of contracts, in order to promote the establishment of Micro-enterprises to undertake routine maintenance on the Recipient’s paved road network, using performance-based contracting methodology, and under supervision by MPWU; and

(c) development and implementation of a multi-sectoral road safety action plan in consultation with the Recipient’s National Road Safety Task Force Committee, including provision of breath testing equipment and radar guns for the traffic police to improve enforcement.

Part C: Project Support

Provision of technical advisory services and material support for the establishment of a KFSU to ensure the smooth implementation of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall:

   (a) maintain, throughout the Project implementation period, the Project Steering Committee, whose mandate, terms of reference and composition shall be acceptable to the Association, to be responsible for general oversight, and monitoring and supervision, of the Project, and to advise the Recipient on any concerns or issues that may arise with regards to Project implementation, such Steering Committee to meet at least four (4) times per calendar year during the period of Project implementation. The Recipient shall, by not later than four (4) months after each meeting of the Project Steering Committee, submit to the Association the minutes of each such meeting, in form and substance acceptable to the Association;

   (b) maintain, throughout the Project implementation period, a Project Support Team ("PST") within the Recipient’s Ministry of Public Works and Utilities to be headed by a PST Manager, and whose mandate, terms of reference, and composition shall be acceptable to the Association, to be responsible for coordination of implementation and monitoring of the Project, and reporting on the results thereof; and

   (c) maintain, throughout the Project implementation period, the Kiribati Fiduciary Services Unit ("KFSU") within the Recipient’s Ministry of Finance and Economic Development with a mandate, terms of reference, and composition acceptable to the Association, to be responsible for overseeing procurement and financial management of the Project, and reporting on the results thereof.

2. The Recipient shall ensure that:

   (a) the PST and KFSU shall have at their disposal adequate funds and other resources as required to ensure proper coordination, procurement, financial management, and monitoring and evaluation of the Project, subject to the overall authority and oversight functions of the Project Steering Committee;

   (b) the PST manager shall be assisted by a team of key personnel consisting of one assistant to the PST Manager along with other technical staff as needed
in adequate numbers, all of whom shall be suitably qualified and experienced;

(c) the KFSU manager shall be assisted by a team of key personnel consisting of, inter alia: (i) a procurement assistant; (ii) two accountants; (iii) a part-time internationally recruited procurement advisor; (iv) a part-time internationally recruited financial management advisor; (v) a part-time internationally recruited advisor to the KFSU manager; (vi) a valuation specialist to be responsible for compensation rates for trees and other assets affected under the Project; and (vii) a non-governmental organization to monitor implementation of the RPF; along with other fiduciary staff as needed in adequate numbers, all of whom shall be suitably qualified and experienced; and

(d) the positions of PST manager, KFSU manager and other key personnel referred to in this paragraph shall be kept filled at all times by persons having qualifications and experience acceptable to the Association.

3. Technical Audits

To ensure proper technical implementation of the civil works under the Project, the Recipient shall arrange for quarterly technical audits of the civil works and consultants working for the Project, to be conducted by independent auditors acceptable to the Association, under terms of reference satisfactory to the Association. The audits for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

4. KFSU Transactions

To ensure proper oversight of KFSU’s fiduciary support, the Recipient shall provide to the Association quarterly reports on KFSU’s activities, including transaction numbers and service times, such reports to be provided not later than six (6) months after the end of each quarter.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Project Operations Manual

1. The Recipient shall carry out the Project in accordance with the Project Operations Manual; provided, however, that, in case of any discrepancies between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.
2. Except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision thereof if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the implementation of the Project.

D. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental Management Plan ("EMP") and the Resettlement Policy Framework ("RPF").

2. If a Resettlement Action Plan ("RAP") would be required for any Project activities on the basis of the RPF, the Recipient shall ensure that: (a) said RAP has been prepared in accordance with the requirements of the RPF, furnished to the Association for approval, and disclosed locally; and (b) no such activities shall commence until: (i) all measures required to be taken under said RAP prior to the commencing of said activities have been taken; (ii) a report, in form and substance satisfactory to the Association, on the status of compliance with the requirement of said RAP has been prepared and furnished to the Association; and (iii) the Association has confirmed that said activities may be commenced.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, in accordance with terms of reference satisfactory to the Association: (a) monitor the status of compliance with the Safeguards Instruments; and (b) prepare and furnish to the Association, as part of each Project Report, a report on the results of such monitoring activities during the period covered by said Project Report, giving details of:

   (i) measures taken in furtherance of such Safeguards Instruments;
   (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Instruments; and
   (iii) remedial measures taken or required to be taken to address such conditions.

5. The Recipient shall afford the Association a reasonable opportunity to review the reports prepared under paragraph 4 of this Part D, and thereafter shall carry out with due diligence all remedial measures agreed with the Association so as to ensure the proper implementation of the Project in accordance with the Safeguards Instruments.

6. In the event of a conflict between the provisions of the EMP, RPF or any RAPs and those of this Agreement, the provisions of this Agreement shall prevail.
Section II.  Project Monitoring, Reporting and Evaluation

A.  Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Project Operations Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

B.  Financial Management, Financial Reports and Audits

1.  The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2.  The Recipient shall prepare and furnish to the Association not later than one (1) month after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3.  The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) Fiscal Year. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III.  Procurement

A.  General

1.  Goods and Works. All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2.  Consultants' Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3.  Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Community Participation in Procurement</td>
</tr>
</tbody>
</table>

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(b) Quality-Based Selection</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Single-Source Selection</td>
</tr>
<tr>
<td>(e) Procedures set forth in paragraphs 5.2, 5.3 and 5.4 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>
D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works under Part A.1 of the Project.</td>
<td>3,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consultants' services, Training and Operating Costs under Parts B and C of the Project</td>
<td>800,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,200,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is June 30, 2018.

Section V. Other Undertakings

1. Pursuant to Part B (c) of Schedule 1 to the Project, the Recipient shall:

   (a) develop and communicate to the Association, not later than June 30, 2015, for review and comments by the Association, its proposed multi-sectoral road safety action plan, giving the Association adequate time and opportunity to review and comment on such proposed action plan, and, as necessary, to exchange views thereon with the Recipient; and

   (b) thereafter proceed promptly and with due diligence to implement the action plan through the Recipient’s National Road Safety Task Force Committee and with the active participation of all concerned ministries and agencies, and in accordance with the time line and other modalities specified therein, taking into consideration any comments and observations that will have been made thereon by the Association.

2. Not later than three (3) months prior to the proposed introduction of any draft legislation for road sector reform under Part B (a) (iii) of Schedule 1 to the Project, the Recipient shall:

   (a) communicate to the Association a copy of the proposed draft legislation, for review and comments by the Association, giving the Association adequate time and opportunity to review and comment on such proposed draft legislation, and, as necessary, to exchange views thereon with the Recipient; and

   (b) proceed thereafter to deal with the proposed draft legislation as necessary or appropriate, taking into consideration any comments and observations that will have been made thereon by the Association.

3. By not later than June 30, 2015, the Recipient shall make adequate budgetary allocations to meet maintenance requirements in the road subsector, including:

   (a) a provision in its annual budget for national road maintenance of sealed roads and unsealed roads in South Tarawa; and
(b) a provision for the implementation of the multi-sectoral road safety action plan referred to under Part B(c) of Schedule 1 to the Project.
APPENDIX

Section I. Definitions

1. "ADB Co-financing Agreement" means the agreement dated March 17, 2011 between the Recipient and the ADB providing for the ADB Co-financing.


3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. "Co-financier(s)" means either or both of: (a) the Asian Development Bank; and (b) the International Bank for Reconstruction and Development, and International Development Association (collectively, "World Bank"), acting as administrator of grant funds provided under the Pacific Region Infrastructure Facility ("PRIF").

5. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount or amounts to be provided by the Co-financiers as follows to assist in financing the Project:

   (a) in the case of the Asian Development Bank ("ADB"), an amount of at least $12 million equivalent ("ADB Co-financing"); and

   (b) in the case of the World Bank acting as administrator of grant funds provided under the Pacific Region Infrastructure Facility ("PRIF") multi-donor trust fund, an amount of at least $12.79 million equivalent ("PRIF Co-financing").

6. "Co-financing Agreement" means either the ADB Co-financing Agreement and the PRIF Co-financing Agreement.


8. "Displaced Persons" means one or more persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
9. "Environmental Management Plan" or "EMP" means the Recipient’s Environmental Management Plan, disclosed in the Recipient’s territory on October 1, 2014, giving details of specific actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with the procedural and institutional measures needed to implement such actions, measures and policies, as may be updated from time to time in accordance with the Association’s environmental policies.

10. "Fiscal Year" or "FY" means the twelve-month period commencing on January 1 and ending on December 31 of each year, representing the Recipient’s fiscal year.


12. "Kiribati Fiduciary Services Management Unit" or "KFSU" means the Kiribati Central Fiduciary Services Team referred to in Section I.A. 1 (c) of Schedule 2 to this Agreement.


14. "Micro-enterprise" means an entity that meets the eligibility criteria set forth in the Project Operations Manual to carry out basis road maintenance activities.

15. "MPWU" means the Recipient’s Ministry of Public Works and Utilities, or any successor thereto.

16. "MELAD" means the Recipient’s Ministry of Environment, Land and Agriculture Development, or any successor thereto.

17. "Memorandum of Understanding" or "MOU" means a Memorandum of Understanding for Cooperation, Coordination and Exchange of information under the Project concluded or to be concluded among the Association and the Co-financiers.

18. "Operating Costs" means the incremental operating costs arising under the Project on account of local contractual support staff salaries, employment benefits, travel expenditures and other travel-related allowances, including taxes incurred on overseas travel; equipment rental and maintenance; vehicle operation, maintenance and repair; office rental and maintenance; materials and supplies; and utilities, media information campaigns and communications’ expenses.
19. "Original Financing Agreement" means the financing agreement for a Kiribati Roads rehabilitation Project between the Recipient and the Association, dated May 5, 2011 as amended to the date of this Agreement (Grant No. H645-KI).

20. "Original Project" means the Project described in the Original Financing Agreement.


23. "Procurement Plan" means the Recipient's procurement plan for the Project, dated January 20, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.


25. "Project Steering Committee" means the National Infrastructure Development Steering Committee referred to in Section I.A.1 (a) of Schedule 2 to this Agreement.

26. "Project Support Team" or "PST" means the Project Support Team referred to in Section I. A. 1 (b) of Schedule 2 to this Agreement.

27. "Resettlement Action Plan" or "RAP" means a Resettlement Action Plan acceptable to the Association and consistent with the RPF, disclosed in the Recipient's territory on May 2, 2013, adopted for the purposes of a specific component or subcomponent of the Project, and giving details of actual compensation, rehabilitation and resettlement assistance to Displaced Persons under the component or subcomponent of the Project, along with the relevant procedural and institutional measures applicable, as may be updated from time to time in accordance with the Association's safeguard policies.

28. "Resettlement Policy Framework" or "RPF" means the Recipient's Resettlement Policy Framework, dated September 13, 2010, giving details of the guidelines and procedures governing compensation, rehabilitation and resettlement assistance in favor of Displaced Persons under the Project, as such RPF may be amended from time to time, subject to compliance with the same approval formalities as applied to the adoption of the RPF.
29. "Training" means training and training-related activities under the Project, including seminars, workshops and study tours, together with all costs associated with travel and subsistence allowances for training participants, including taxes incurred on overseas travel, trainers' fees, rental of training facilities, preparation and reproduction of training materials and other activities reasonably incidental to the preparation and implementation of training activities.

Section II: Amendment to the Original Financing Agreement

The Original Financing Agreement is amended as follows:

1. The Project description in Schedule 1 to the Original Financing Agreement is amended to read as set out in Schedule 1 to this Agreement.

2. Sections I.A and D of Schedule 2 to the Original Financing Agreement are amended as set out in Section I.A. and D of Schedule 2 to this Agreement.

3. Section II.A of Schedule 2 to the Original Financing is modified to read as follows:

   A. Project Reports

   The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Project Operations Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

4. The table in Section IV of Schedule 2 to the Original Financing Agreement is amended to read as follows:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Civil works under Part A.1 of the Project</td>
<td>11,910,000</td>
<td>100%</td>
</tr>
<tr>
<td>2) Goods, consultants’ services, Training and Operating Costs under Parts B and C of the Project</td>
<td>1,090,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>13,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

4. The Closing Date specified in Section VI. B.2 of Schedule 2 to the Agreement is extended to June 30, 2018.

5. Definition number 21 in Section I of the Appendix to the Original Financing Agreement is deleted and replaced with the following:

   “21. “Project Support Team” or “PST” means the Project Support Team referred to in Section I. A. 1 (b) of Schedule 2 to this Agreement.”

6. A new definition is added to the Appendix to the Original Financing Agreement deleted as follows:

   “26. “Kiribati Fiduciary Services Management Unit” or “KFSU” means the Kiribati Central Fiduciary Services Team referred to in Section I. A. 1 (c) of Schedule 2 to this Agreement.”