March 10, 2016

Hon. Tom Murdoch
Minister of Finance and Economic Development
Ministry of Finance and Economic Development
PO Box 67
Bairiki
Tarawa
Kiribati

Dear Honorable Minister,

Republic of Kiribati: PRIF Multi-donor Trust Fund Co-financing
Kiribati Road Rehabilitation Project PRIF Grant Numbers TF099624
Amendment to the Grant Agreement

We refer to the grant agreement ("PRIF Grant Agreement") between the Republic of Kiribati ("Recipient") and the International Development Association ("World Bank") acting as administrator of grant funds provided by Australia and New Zealand ("Donors") through the Pacific Region Infrastructure Facility ("PRIF") multi-donor trust fund for the Kiribati Road Rehabilitation Project ("Project"), dated May 5, 2011 (PRIF Grant No. TF099624) as amended to date. We refer also to your letter dated 20 January, 2016 requesting additional PRIF grant funds for the Project.

We are pleased to acknowledge on behalf of the World Bank the intention of the Donors to make available additional grant funds in the amount of two million, four hundred seventeen thousand eight hundred forty three United States dollars (U.S.$2,417,843) for the Project. Accordingly, we propose to amend the PRIF Grant Agreement through this amendment letter ("Amendment Letter") as follows:

1. The first paragraph of the PRIF Grant Agreement is amended to reflect the increased aggregate value of the PRIF grant funds so as to read as follows:

"In response to the request for financial assistance made on behalf of the Republic of Kiribati (the "Recipient"). I am pleased to inform you that the International Development Association (the "World Bank"), acting as administrator of grant funds provided by various donors under the Pacific Region Infrastructure Facility ("PRIF") Multi-donor Trust Fund, proposes to extend to the Recipient a grant in an amount not to exceed fifteen million two hundred seven thousand eight hundred forty three United States Dollars (U.S.$15,207,843) (PRIF Grant No. TF099624) ("Grant") on the terms and conditions set forth or referred to in this letter agreement (the "Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined
in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds."

2. The table in Article III of the Annex to the PRIF Grant Agreement is deleted in its entirety and replaced with the Attachment to this Amendment Letter.

All capitalized terms used in this Amendment Letter have the same meaning assigned to them in the PRIF Grant Agreement. All the terms of the PRIF Grant Agreement not hereby amended will remain in full force and effect.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed two copies of this letter of amendment, and returning one copy to the World Bank. This Amendment Letter shall become effective upon receipt by the World Bank of the countersigned copy of this Amendment Letter.

Sincerely,

Franz R. Drees-Gross
Country Director
Timor-Leste, Papua New Guinea
& Pacific Islands
East Asia and Pacific Region

AGREED:

Republic of Kiribati

By: [Signature]
Authorized Representative

Name: Dr. Teuea Toatu
Title: Honourable Minister of Finance and Economic Development
Date: 18th March 2016
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
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</thead>
<tbody>
<tr>
<td>(1) Goods, works and consultants' services under Part A.1(a), (d) (e) and (f) and Part B(a), (b), and (c) of the Project.</td>
<td>15,207,843</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>15,207,843</td>
<td></td>
</tr>
</tbody>
</table>