Hon. Dr. Teuea Toatu  
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 Adaptation Project Phase III (KAPIII)  
PRIF Grant Number TF011351  
Amendment to the Letter Agreement

We refer to the letter agreement ("PRIF Grant Agreement") between the Republic of Kiribati ("Recipient") and the International Bank for Reconstruction and Development / International Development Association (collectively, "World Bank") acting as administrator of grant funds provided by Australian Agency for International Development ("Donor") through the Pacific Region Infrastructure Facility ("PRIF") multi-donor trust fund for the Kiribati Adaptation Project – Phase III ("Project"), dated December 15, 2011 (PRIF Grant No. TF011351) as amended to date. We refer also to your letter dated May 25, 2017 requesting additional PRIF grant funds for the Project and that some revisions be made to the PRIF Grant Agreement.

We are pleased to acknowledge on behalf of the World Bank the intention of the Donor to make available additional grant funds in the amount of three hundred eighty thousand United States Dollars (U.S.$380,000) for Part 3(f) of 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 revised to read as follows:

   "In response to the request for financial assistance made on behalf of the Republic of Kiribati ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development / International Development Association ("World Bank"), acting as administrator of grant funds provided by the Commonwealth of Australia, acting through the Department of Foreign Affairs and Trade ("Donor") through the Pacific Region Infrastructure Facility ("PRIF") multi-donor trust fund, proposes to extend to the Recipient a grant in an amount not to exceed five million three hundred seventy-eight thousand two hundred fifty-four US Dollars (US$ 5,378,254) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project")."
2. Section 2.06. (a) of the Annex to the PRIF Grant Agreement is revised to read as follows:

"2.06. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in the Operational Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report."

3. The withdrawal table in Section 3.01. of the Annex to the PRIF Grant Agreement is modified as set forth in the Annex to this Amendment Letter.

4. Section 3.03. of the Annex to the PRIF Grant Agreement is revised to read as follows:

"3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018."

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 two copies of this Amendment Letter, 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,

Michel Kerf  
Country Director  
Papua New Guinea & Pacific Islands  
East Asia and Pacific Region

AGREED:

REPUBLIC OF KIRIBATI

By ____________________________  
Authorized Representative

Title  MINISTER OF FINANCE

Date  10/15/2017
### Annex

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USS)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Works, Non-consulting services, Consultants’ services, Operating Costs and Training</td>
<td>4,878,254</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Small Grants under Part 3(e) of the Project</td>
<td>500,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>5,378,254</strong></td>
<td></td>
</tr>
</tbody>
</table>