

January 8, 1997

H.E. Musalia Mudavadi  
Minister of Finance  
Ministry of Finance  
P.O. Box 30007  
Nairobi Kenya

Dear Sir:

KENYA: Universities Investment Project (Credit No. 2309 KE)  
Amendment

We would like to refer to the Development Credit Agreement between the Republic of Kenya (the Borrower) and the International Development Association (the Association) for the Universities Investment Project dated December 11, 1991. We would also like to refer to your letter of December 13, 1996 proposing certain amendments to the Development Credit Agreement.

We are pleased to inform you that the Association has agreed to your proposal, and the Development Credit Agreement will be amended as follows:

1. Section 4.02 will be amended to read as follows:

"Section 4.02. The Borrower shall, from July 1, 1994, fully fund the operating budget of CHE with respect to university coordination, planning and financial functions at a level satisfactory for the Association."

2. The table in Schedule 1 to the Development Credit Agreement is hereby amended as in the Attachment to this letter.

Please confirm your agreement to these amendments by signing, dating and returning to us the copy of this letter. The amendments will become effective as of the date of your signature.

Sincerely,

Harold Wackman  
Country Director, Kenya and Djibouti  
World Bank, Nairobi

Attachment

CONFIRMED:

By: /s/ Musalia Mudavadi  
Authorized Representative  
Republic of Kenya

Date: 1/20/97

#### SCHEDULE 1

#### Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Amount of the Credit Allocated	% of Expenditures
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Category	(Expressed in SDR Equivalent)	to be Financed
(1) Equipment, library supplies and vehicles:		100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for other items procured locally
(a) for Parts A.1 through 3 of the Project	800,000	
(b) for Part A.4 of the Project	600,000	
(c) for Part B of the Project:		
(i) the first phase	14,300,000	
(ii) the second phase	11,650,000	
(iii) the third phase	0	
(2) Consultants' services, studies and training:		100%
(a) for Parts A.1 through 3 of the Project	1,700,000	
(b) for Part A.4 of the Project	500,000	
(c) for Part B of the Project:		
(i) the first phase	2,332,000	
(ii) the second phase	3,218,000	
(iii) the third phase	0	
(3) CHE incremental operating costs	550,000	100% until June 1994; beginning July 1994, 60% of costs relating to preparation of bidding documents only
(4) PIU incremental operating costs	350,000	60%
(5) Refunding of Project Preparation Advance	1,080	Amounts due pursuant to Section 2.02 (c) of this Agreement
(6) (a) Civil works for Part C	4,498,920	100% of foreign expenditures and

	of the Project		90% of local expenditures
(b)	Vehicles, equipment and furniture for Part C of the Project	350,000	100% of foreign expenditures and 90% of local expenditures
(c)	Consultant's services under Part C of the Project	450,000	100%
(7)	Unallocated	0	
	TOTAL	41,300,000	
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