

CR-4532-KE

June 8, 2015

Honorable Henry Rotich
Cabinet Secretary for Finance
National Treasury
Nairobi
Republic of Kenya

Honorable Cabinet Secretary:

**Lake Victoria Environmental Management Project II (Phase I)
Credit No. 4532-KE
Amendment No. 3 to the Financing Agreement**

We refer to the Financing Agreement between the Republic of Kenya ("Recipient") and the International Development Association ("Association") dated May 8, 2009 for the above stated Project ("Financing Agreement"), as amended by the letters from the Association to the Recipient dated August 14, 2012 and June 9, 2014.

Further, we refer to the letter from the Recipient's National Treasury dated October 3, 2014, requesting additional financing for the above stated Project and an extension of the Closing Date of the Financing Agreement. We also refer to the negotiations for additional financing held on April 9, 2015, where the Recipient's delegation confirmed that the Ministry of Environment, Water and Natural Resources is the ministry responsible for overall implementation of the Project. Therefore, the Association hereby proposes to amend the Financing Agreement as follows:

1. Section IV.B.2 of Schedule 2 to the Financing Agreement is amended to read as follows:

"The Closing Date is December 31, 2017."
2. Paragraph 28, Section I of the Appendix to the Financing Agreement is deleted in its entirety, and is replaced by a new paragraph 28 to read as follows:

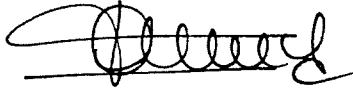
"“Ministry of Environment, Water and Natural Resources” or “MEWNR” means the Recipient’s ministry responsible for environment, and any successor thereof."

In line with the foregoing amendment, all references to the terms "Ministry of Environment and Mineral Resources" and "MEMR" in the Financing Agreement shall be replaced accordingly by the terms "Ministry of Environment, Water and Natural Resources" and "MEWNR".

Except as provided herein, all other provisions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing amendment to the Financing Agreement on behalf of the Recipient by countersigning and dating the two original copies of this letter and returning one countersigned original to us. Upon receipt by the Association of the countersigned original, this amendment shall become effective as of the date of the countersignature.

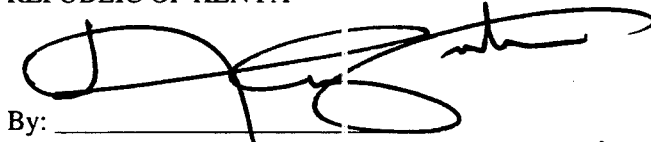
Sincerely,



Diarietou Gaye
Country Director for Kenya
Africa Region

AGREED:

REPUBLIC OF KENYA



By: _____
Authorized Representative

Name: Henry K. Rotich
Title: CABINET SECRETARY, THE NATIONAL TREASURY.

Date: 26th June 2015.