OFFICIAL DOCUMENTS

Amendment No. 1 to the Arrangement between the Government of the United Kingdom of Great Britain and Northern Ireland and the International Bank for Reconstruction and Development and the International Development Association concerning the Regional Good Governance and Investment Climate Reform Programmatic Single-Donor Trust Fund (TF072519)

1. We refer to the Arrangement (the Arrangement), dated December 11, 2015, between the Government of the United Kingdom of Great Britain and Northern Ireland (the “Donor”) and the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), (collectively, the “Bank”) regarding the Regional Good Governance and Investment Climate Reform Programmatic Single-Donor Trust Fund (TF072519) (the “Trust Fund”).

2. The donor has agreed to provide a supplemental contribution of £5,000,000 for the TF activities. Therefore, the Donor and the Bank have agreed to amend the Arrangement in respect of the provisions as follows:

(a) Paragraph 1 of the Arrangement is amended to read

"1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Government of the United Kingdom of Great Britain and the Northern Ireland (the “Donor” and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of: (a) five million Great Britain Pounds Sterling (GBP 5,000,000) (“Original Contribution”); and (b) (GBP 5,000,000) (“Supplemental Contribution”) (collectively, the “Contribution”) for the Single Donor Trust Fund, TF072519 (the “Trust Fund”) in accordance with the terms of this Administration Arrangement.”

(b) Section 3 of the Arrangement is amended to read as follows:

“3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank:
Original Contribution

<table>
<thead>
<tr>
<th>Indicative Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Upon countersignature of this Arrangement by the Donor</td>
<td>£ 650,000 [already received]</td>
</tr>
<tr>
<td>(b) June 30, 2016</td>
<td>£ 650,000 [already received]</td>
</tr>
<tr>
<td>(c) December 31, 2016</td>
<td>£ 650,000 [already received]</td>
</tr>
<tr>
<td>(d) June 30, 2017</td>
<td>£ 650,000 [already received]</td>
</tr>
<tr>
<td>(e) December 31, 2017</td>
<td>£ 650,000 [already received]</td>
</tr>
<tr>
<td>(f) June 30, 2018</td>
<td>£ 650,000</td>
</tr>
<tr>
<td>(g) October 31, 2018</td>
<td>£ 550,000</td>
</tr>
<tr>
<td>(h) April 30, 2019</td>
<td>£ 550,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£ 5,000,000</strong></td>
</tr>
</tbody>
</table>

Supplemental Contribution

<table>
<thead>
<tr>
<th>Indicative Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) October 31, 2018</td>
<td>£ 1,250,000</td>
</tr>
<tr>
<td>(b) April 30, 2019</td>
<td>£ 1,250,000</td>
</tr>
<tr>
<td>(c) October 31, 2019</td>
<td>£ 1,250,000</td>
</tr>
<tr>
<td>(d) April 30, 2020</td>
<td>£ 1,250,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£ 5,000,000</strong></td>
</tr>
</tbody>
</table>

(c) Section 7 of the Arrangement is amended to read as follows:

“7. At the date of Bank’s signature of this Arrangement, the Indirect Rate (as defined in Annex 1 to this Arrangement) is 17%.”

(d) Annex 1 and Annex 2 to the Arrangement are deleted in their entirety and are replaced with Attachment to this Amendment letter.

3. All other terms of the Arrangement shall remain valid and in full force and effect.

4. The Bank will disclose this amendment (Amendment) to the Arrangement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Amendment, the Donor consents to disclosure of this Amendment to the Arrangement and related information on this Trust Fund.
5. We propose that this letter shall constitute an Amendment to the Arrangement between the Bank and the Donor. Please confirm your acceptance to the foregoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your records and returning the other original to the Bank. Upon receipt by the Bank of the original Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Europe and Central Asia Region

CONFIRMED AND AGREED:

GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

By: [Signature] Date: 11/4/18
Name: Richard Dearden
Title: Head, GEF Joint Unit
Regional Good Governance and Investment Climate Reform Programmatic Trust Fund Description

This Annex shall be applicable to and form an integral part of the Administration Arrangement for the Trust Fund between the Bank and the Donor.

1. Objective

The objectives of the Trust Fund are to strengthen the investment climate and transparency and accountability in the public sector in selected countries of Europe and Central Asia.

2. Activities

The activities (which may be described as "components" of activities) to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

   (a) Strengthening transparency and accountability in the public sector by supporting the implementation of reforms and initiatives such as revenue mobilization, public financial management, public procurement, service delivery, rule of law and judicial reform, organization of the state, state-owned enterprises, public sector management, anti-corruption, and oversight institutions.

   (b) Strengthening the investment climate by supporting the implementation of reforms and initiatives such as business regulation, investment and export promotion, support for innovation and entrepreneurship, and access to finance and financial markets.

   (c) Program management and administration activities for the Trust Fund, including but not limited to, supporting any program governance arrangements and Trust Fund related meetings; project identification; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.

2.2 Sub-projects under Section 2.1(a) and (b) must be approved by the Supervisory Group (described in Annex 3 hereto).

3. Eligible Expenditures

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

   (a) consultant fees (individuals and firms) - with Indirects
   (b) contractual services
   (c) staff costs - with Indirects
   (d) media, workshop, conferences and meetings, including publication and dissemination costs
   (e) temporary support staff costs with Indirects
   (f) travel expenses
3.2. For purposes of this section: (i) "staff costs" (excluding short term consultants and temporaries) includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (ii) "consultant fees" and "temporary support staff costs" include fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures.

3.3. The "Indirect Rate" means the indirect rate, defined as a percentage of personnel costs and available at the Development Partner Center website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

4. Taxes

The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank's applicable policies and procedures.

5. Indicative Results Framework

An indicative Results Framework for the activities financed by the Trust Fund prepared by the Bank (the "Results Framework"), in consultation with the Donors, shall be available at the Development Partner Center website. Such Results Framework, may be revised by the Bank from time to time, in consultation with the Donors, and shall be used for monitoring and evaluation purposes only.

6. Indicative Budget

The Bank shall provide indicative budget information for the Trust Fund at the Development Partner Center website, which may be updated periodically by the Bank in consultation with the Donors. Such budget information is for informational purposes only.

7. Retroactive Financing

The Trust Fund funds may be used to retroactively finance payments for eligible expenditures made as of November 30, 2015, in accordance with the Bank's applicable policies and procedures.
Standard Provisions

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor, it being understood that any plural references in the annexes to Donors, Administration Agreements, Contributions and pro rata shares shall be read as singular references to the Donor, its Administration Agreement, its Contributions thereunder and the remaining uncommitted balance of the Trust Fund, respectively.

1. Administration of the Contributions

1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement, including its annexes, and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. Each Donor’s Contribution (collectively, the “Contributions”) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. Management of the Contributions

2.1. The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2. The currency in which the funds in the Trust Fund shall be held is United States Dollars (the “Holding Currency”).

2.3. Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4. The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.
2.5. The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall transfer all income from such investment to the Donor’s applicable donor balance account with the Bank.

3. **Accounting and Financial Reporting**

3.1. The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the *Development Partner Center* website which will be updated quarterly. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the *Development Partner Center* website.

3.3. The Bank shall provide to the Donors via the *Development Partner Center* secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

3.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

4. **Progress Reporting; Review or Evaluation of Activities; Financial Management**

4.1. The Bank shall provide the Donors with annual written progress reports. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donors, as such Results Framework may be reviewed by the Parties from time to time. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final narrative progress report for the Trust Fund.

4.2. Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

4.3. The Bank shall, consistent with its policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the
use of the Trust Fund funds, and include provisions in its agreements with Recipients to give full
effect to the relevant Bank guidelines on fraud and corruption.

4.4. In the event that the Bank determines that there are credible and material allegations of
fraud, corruption, collusion or coercion in relation to Recipient-executed and/or Bank-executed
activities financed by the Trust Fund that result in the Bank opening an investigation into such
allegations (an “Investigation”), the Bank shall, in accordance with its applicable policies and
procedures:

(i) take timely and appropriate action with respect to such allegations and, where
relevant, seek appropriate redress, including potential sanctions;

(ii) as soon as practicable, inform the Donors of the outcome of the Investigation,
provided that the Donors agree to keep such information confidential pursuant to
paragraph 6.3 of Annex 2, unless such information is already publicly available;

(iii) on a case by case basis, decide whether to share information with Donors on an
active Investigation, and provided that the Donors agree to keep such information
confidential pursuant to paragraph 6.3 of Annex 2;

(iv) take all necessary actions to recover funds that are the subject of an Investigation
where the Bank has determined it as appropriate; and

(v) to the extent that any funds are refunded to the Trust Fund following an
Investigation, the Bank shall use such funds for the same purposes as the
Contributions, unless otherwise agreed between the Bank and each Donor.

5. Disbursement; Cancellation; Withholding of Payments

5.1. It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank
by March 31, 2021 (the “End Disbursement Date”). The Bank shall only disburse funds deposited
in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors)
after such date to the extent such date is changed in accordance with amendments made to the
Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank
shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the
manner specified in its respective Administration Agreement on a pro rata basis with regard to the
total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the
Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2. Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel
all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions
(paid and not yet paid) that are not committed pursuant to any agreements entered into between the
Bank and any consultants and/or other third parties for the purposes of this Administration
Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a
cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as
specified in paragraph 2.2 of this Annex 2; unless otherwise agreed between the Bank and the
Donor.

5.3. If in the reasonable opinion of a Donor, the Bank has failed to comply to a material extent
with its obligations under this Administration Agreement, the Donor and the Bank agree to discuss
the non-compliance with a view to resolving the matter. If the Bank and the Donor fail to agree on
the measures to be taken or the Bank fails to take relevant measures as may be agreed between the Donor and the Bank, the Donor may, upon thirty (30) days prior written notice, withhold all or any portion of an Installment that has not yet been disbursed to the Bank, until such time as the measures have been taken.

6. Disclosure; Visibility

6.1. The Bank and the Donors agree that the Administration Agreements will be made publicly available and that any related information on this Trust Fund in the Bank’s and the Donor’s possession may be publicly disclosed in accordance with (i) the Bank’s policies and procedures with respect to any such information in the Bank’s possession; and (ii) the Donors’ applicable laws with respect to any such information in the Donors’ possession.

6.2. Notwithstanding paragraph 6.1 above, neither the Bank nor any of the Donors shall publicly disclose information in their respective possession related to the Trust Fund that has been indicated or marked in writing by either Party as confidential, unless prior written consent has been obtained from the Party providing the information or the Donors are otherwise obliged to do so under applicable laws with respect to information in their possession.

6.3. Notwithstanding paragraphs 6.1 and 6.2 above, the information provided under paragraphs 4.4 (ii) and 4.4 (iii) shall be subject to the terms of confidentiality accompanying such information, and the Donors shall not disclose such information outside the office to which the information is provided, unless: (i) prior written consent has been obtained from the Bank; or (ii) the Donors are obliged to do so in accordance with applicable laws, in which case the Donors will notify the Bank accordingly prior to such disclosure. If a Donor is not able to commit to keep such information confidential in accordance with its applicable laws, then the Donor shall inform the Bank accordingly.

6.4. Where appropriate to do so, the Bank will acknowledge, the Donors’ contributions in references made by the Bank with respect to the Trust Fund in publications, press releases or other similar written materials.

7. Dispute Resolution; Limitation on Donor Liability

7.1. The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7.2. In providing funds under this Administration Agreement, the Donors do not accept any responsibility or liability towards any third parties including any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.