Mr. Edward Archibald  
Counsellor Development Cooperation  
Australian Agency for International Development (AusAID)  
Australian High Commission  
21 Gregory's Road, Colombo 7  
S. Lanka

Trust Fund Administration Agreement between the Government of Australia, acting through the Australian Agency for International Development (AusAID), and the International Bank for Reconstruction and Development and the International Development Association concerning the Maldives Climate Change Multi-donor Trust Fund  
(Trust Fund No. TF071418)  
AusAID Agreement No. 55368

Dear Mr. Archibald:

1. We refer to the Administration Agreement dated June 4, 2010 between the Government of Australia, acting through the Australian Agency for International Development (“AusAID”) (the “Donor”) and the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”), acting as administrator of the Maldives Climate Change Multi-donor Trust Fund (the “Trust Fund”), pursuant to which the Donor has made available as a grant the sum of five hundred thousand Australian Dollars (AUD 500,000) (the “Contribution”).

2. We acknowledge the intent of the Donor to increase its contribution to the Trust Fund by an additional five hundred thousand Australian Dollars (AUD 500,000) (such amount, the “Additional Contribution”). After the Additional Contribution has been received by the Bank, the aggregate contribution to the Trust Fund will be one million Australian Dollars (AUD 1,000,000).

3. Following confirmation of this amendment to the Administration Agreement by you, the Donor will deposit the Additional Contribution into a bank account designated by the Bank. Upon receipt of the funds, the Bank shall convert them into United States dollars.

4. We also refer to the discussions between the Donor and the Bank to revise the parameters of the Trust Fund to include the financing of study tours, works and non-consulting services as eligible expenditures, to extend the end disbursement date and to increase the Program management cost under the Trust Fund. With respect to the proposed increase in Program management cost, we confirm that such increase is merely a reallocation from the Bank supervision cost (i.e., costs associated with the Bank executed components as described in paragraph 1.2(b) of Annex I of the Administration Agreement) to the Program management cost. Such reallocation does not affect (i) the funds allocated to the Republic of Maldives for the carrying out of the activities described in Annex I of the Administration Agreement; and (ii) the two percent (2%) Trust Fund administration cost the Bank charges referred to Annex II, paragraph 3 of the Administration Agreement. Accordingly, we propose to amend the Administration Agreement as set out below.

5. In Annex I of the Administration Agreement, the last paragraph under subparagraph 2(a) is amended to include the additional eligible expenditures as follows (in bold):

March 6, 2012
"The categories of expenditures will include goods, works, consultant's services, non-consulting services, training and workshops, including national and international study tours directly linked to the achievement of the objective of the Project, technical assistance and incremental operating costs pursuant to a Grant Agreement to be entered between the Bank and the Republic of Maldives. The forgoing expenditures may include the financing of taxes.'

6. Section 3.1 of Annex 2 to the Administration Agreement is amended as follows:

"3. Administrative Cost Recovery

3.1. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Agreement, the Bank may, following deposit of the Contribution by the Donors, deduct from the Contribution of the Donors and retain for the Bank's own account an amount equal to two percent (2%) of the Contribution. In addition, Program management and Supervision costs will be charged to the Trust Fund based on actual basis up to a maximum of five hundred and ninety-eight thousand seven hundred and ninety-four United States Dollars (US$598,794).".

7. Section 8.1 of Annex 2 to the Administration Agreement is amended to reflect the revised end disbursement date and said Section reads as follows:

"8.1 It is expected that the Contributions will be fully disbursed by the Bank by March 31, 2015. The Bank shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.".

8. All the terms and conditions of the Administration Agreement that have not been amended hereby shall remain unchanged.

9. Please confirm your agreement with the foregoing by signing and dating the confirmation on the enclosed copy of this letter of amendment and returning it to the Bank.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
INTERNATIONAL DEVELOPMENT ASSOCIATION

Diarietou Gaye
Country Director for Maldives and Sri Lanka
South Asia Region
AGREED
GOVERNMENT OF AUSTRALIA, ACTING THROUGH THE AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT

Name: Edward Archibald
Title: Counselor (Development Cooperation)
Sri Lanka and Maldives Programs
Australian High Commission, Sri Lanka
Date: 8/3/2012