Re: Trust Fund Administration Agreement between the European Community represented by the Commission of the European Communities, and the International Bank for Reconstruction and Development and the International Development Association concerning the Multi-Donor Trust Fund for the Public Financial Management Reform Program in Cambodia (TF No. 054545) Amendment 2 to Administration Agreement

Dear Ambassador Lipman:

We refer to the Administration Agreement between the European Community represented by the Commission of the European Communities (the “Donor”), and the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), (collectively, the “Bank”), regarding the Multi-Donor Trust Fund for the Public Financial Management Reform Program in Cambodia (TF No. 054545) (the “Trust Fund”) effective December 1, 2006, as amended (the “Administration Agreement”).

Pursuant to recent discussions between the Bank and the Donor, the Bank proposes to amend Article 3 of the Administration Agreement and supplement paragraph 8.1 of Annex I to the Administration Agreement to be read as follows:

Article 3:

“It is expected that an amount of the trust fund equal to the Grant funds will be fully utilized in accordance with the provisions of this Administration Agreement by October 11, 2011 (the Completion Date). The Bank shall only disburse the Grant funds (i.e. the European Community’s pro rata share of the funds remaining in the trust fund, including any investment income added thereto), for the purposes of this Administration Agreement after such date upon the prior written approval of the Commission.”
2. **Paragraph 8.1 of Annex I:**

"8.1. It is expected that the Contribution funds shall be fully disbursed by the Bank in accordance with the provisions of this Agreement by **October 11, 2011**. The Bank shall only disburse Contribution funds for the purposes of this Agreement after such date with the written approval of the Donors."

All other terms and conditions of the Administration Agreement shall remain the same and in full force and effect.

It is the Bank’s policy to make publicly available the Administration Agreement and any information related thereto, including this Amendment. By confirming its agreement below, the Donor consents to disclosure of this Amendment after it has become effective.

We propose that this letter shall constitute Amendment nr. 2 to the Administration Agreement 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 yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/: Annette Dixon

Annette Dixon
Country Director,
South East Asia

CONFIRMED AND AGREED

EUROPEAN COMMUNITY REPRESENTED BY
THE DELEGATION OF THE EUROPEAN UNION TO CAMBODIA

By: /s/ Samuel Cantell
Title: Samuel Cantell for
      the Head of Delegation

Date: 31 DEC 2010