May 30, 2012

Mr. S. A. Storchak
Deputy Minister of Finance
Ministry of Finance
Ilyinka Street 9 Moscow, 109097
Russian Federation

Amendment to the Trust Fund Administration Agreement between the Russian Federation and the International Bank for Reconstruction and Development and the International Development Association concerning the Multi-Donor Trust Fund for Public Expenditure Management and Peer-assisted Learning (PEMPAL) in the Europe and Central Asia Region (TF070664)

Excellency:

1. We refer to the Administration Agreement between the Russian Federation (the “Donor”) and the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively the “Bank”) dated February 17, 2010, as amended, regarding the Multi-Donor Trust Fund for Public Expenditure Management and Peer-assisted Learning (PEM-PAL) in the Europe and Central Asia Region (TF070664) (the “Trust Fund”) (TF070664) (the “Administration Agreement”).

2. We also refer to the understanding reached between the Donor and the Bank to extend the disbursement deadline of the Administration Agreement. Accordingly, the Bank proposes to amend the Administration Agreement as follows:

Section 7.1 of Annex 2 to the Administration Agreement is amended as follows:

“7.1. It is expected that the Contribution funds shall be fully disbursed by the Bank in accordance with the provisions of this Agreement by May 31, 2016. The Bank shall only disburse Contribution funds for the purposes of this Agreement after such date with the written approval of the Donor.”
3. We are pleased to acknowledge, on behalf of the Bank, that based on the Restatement of Memorandum of Understanding between the Donor and IBRD for the Russian PFM Aid for Development Program dated December 12, 2011, the Donor shall make available the remaining balance of contribution to the Multi-Donor Trust Fund in the amount of two million United States Dollars (US$2,000,000) (the “Additional Contribution”). With this Additional Contribution, the total amount allocated by the Donor to this Multi-Donor Trust Fund will now aggregate to five million United States Dollars (US$5,000,000) (the “Contribution”).

4. The Donor shall deposit the Additional Contribution into such bank account designated by the Bank upon submission of a payment request by the Bank according to the following schedule:

   (a) On or before September 30, 2012, one million United States Dollars (US$1,000,000); and

   (b) On or before June 30, 2013, one million United States Dollars (US$1,000,000).

5. When making such deposit, the Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor for the TF070664 (Multi-Donor Trust Fund for Public Expenditure Management and Peer-assisted Learning (PEM-PAL)), and the date of the deposit. In addition, the Donor shall provide a copy of the deposit instruction to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

6. Notwithstanding Section 3 of the Standard Provisions, in order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under the Agreement, the Bank may, following deposit of the Additional Contribution by the Donor, deduct from the Additional Contribution and retain for the Bank’s own account an amount equal to five percent (5%) of the Additional Contribution.

7. All other terms of the Administration Agreement shall remain the same.

8. The Bank will disclose this Agreement and related information on this Multi-Donor Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Agreement and related information on this Multi-Donor Trust Fund.
9. We propose that this letter shall constitute an amendment 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,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Philippe le Houerou
Vice President
Europe and Central Asia Region

CONFIRMED AND AGREED:

RUSSIAN FEDERATION

By: [Signature]
Date: June 13, 2012
Name: S.A. Storchak
Title: Deputy Minister of Finance