Amendment to the Trust Fund Administration Arrangement between the United Kingdom of Great Britain and Northern Ireland and the International Bank for Reconstruction and Development and the International Development Association concerning the Global Partnership on Output Based Aid ("GPOBA") DFID (Phase 2) Trust Fund (TF071249)

Dear Mr. Femie:

1. We refer to the Trust Fund Administration Arrangement 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 Global Partnership on Output Based Aid (“GPOBA”) – DFID (Phase 2) (TF071249) (the “Trust Fund”) dated June 1, 2009, as amended (the “Administration Arrangement”).

2. Pursuant to the recent discussions between the Bank and the Donor, we propose to amend the Administration Arrangement as follows:

(a) Section 2.2. of the Administration Arrangement will be amended to clarify that the costs incurred by Bank staff may include technical assistance and dissemination activities, to read as follows:

"2.2. The eligible expenditures categories for which the Contribution will be used by the Bank will include grants to recipients entered into pursuant to the provisions of paragraph 7 below. In addition, 30% of the Contribution fund less the amount deducted to cover administrative costs (Administrative Cost Recovery) and a Program Development Fee may be used for costs incurred by the Bank in respect of: (a) the identification, development and supervision of projects to be funded by the Contribution; and (b) technical assistance and knowledge dissemination activities under Windows 1 and 2. Such costs may include, associated overheads, short term consultant fees, extended term consultants, contractual services, temporary support staff costs, staff costs, field assignment benefits, travel expenses, and media and workshop costs.”
(b) Sections 4.2 and 4.3 of the Annex to the Administration Arrangement will be amended to adjust the estimated percentage from the total Contribution that will fund innovative infrastructure service subsidies (Window 3), to read as follows:

"4.2. An estimated 70% from the total Contribution will fund innovative infrastructure service subsidies (Window 3) and the balance will finance technical assistance (Window 1) and dissemination (Window 2) activities. These are estimated percentages after the deductions specified in paragraphs 2.2 and 6 of the Administration Agreement.

4.3. With respect to Window 3, it is estimated that from the 70% for innovative infrastructure service subsidies, approximately 58% will be used to contribute to stimulate output based interventions by governments and other development partners. Projects under Window 3 demonstrate large scale interventions led by governments in sectors where pilots have proven that output based approaches can be successful. Best efforts shall be used to provide services to approximately 3.2 million people. These interventions will focus on building national support for output based approaches, enhancing the capacity to deliver cost effective key services to the poor, and creating the environment for government and agencies to commit to effective output based interventions."

3. All other terms of the Administration Arrangement shall remain the same.

4. The Bank will disclose this Amendment 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 and related information on this Trust Fund.
5. We propose that this letter will constitute an amendment to the Administration 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]
Ede Jorge Eijjasu Velazquez
Senior Director
Urban, Rural and Social Development Global Practice

CONFIRMED AND AGREED:

GOVERNMENT OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND

By: [Signature]
Alistair Ferguson
Head of Private Sector Department

Date: 2/11/16