ADDENDUM Nº 1 AV 3687

ADMINISTRATION AGREEMENT Nº DCI-ASIE/2013/318785

AFGHANISTAN RECONSTRUCTION TRUST FUND (TF050576)

The European Union, represented by the European Commission (the "Commission"), hereinafter referred to as "The Contracting Authority",

of the one part,

and the International Bank for Reconstruction and Development ("IBRD"), the International Development Association ("IDA"), and the International Finance Corporation ("IFC") (collectively, the World Bank Group), hereinafter referred to as "the Bank",

of the other part,

have agreed as follows:

(A) The Bank acknowledges the intention of the Commission to increase its contribution to the Afghanistan Reconstruction Trust Fund (TF050576) ("Trust Fund") to which the Commission has made available to the Bank as a grant the sum of EUR 61,500,000.00 pursuant to the Administration Agreement concluded between the Commission and the Bank on 28 May 2013 (Administration Agreement) by an additional EUR 41,000,000.00 ("Supplemental Contribution").

(B) Without prejudice to the provisions of paragraph 7(a) of Annex III to the Administration Agreement (as amended and restated), the Bank acknowledges the Commission’s preference that the Supplemental Contribution (EUR 41,000,000.00) will be used for the purpose of co-financing the enhancement of nutrition interventions in BPHS and EPHS under the System Enhancement for Health Action in Transition Project referred to in Annex I of the Administration Agreement, i.e. SEHAT. The Bank will use its discretion to ensure that the Supplemental Contribution funds the preference expressed by the Commission under the Trust Fund. The Supplemental Contribution provided under this addendum is expected to be committed no later than June 30, 2018.

(C) Furthermore, subject to Section 3.03 of the Administration Agreement, and in line with the Administration Cost Recovery provision set forth in Section 7 of the Annex III to the Administration Agreement (as amended and restated), in order to assist in the defrayment of the cost of administration and other expenses incurred by the IBRD and IDA under the Administration Agreement, the IBRD and IDA may, following deposit of the Supplemental Contribution by the Commission, deduct from the Supplemental Contribution and retain for the IBRD’s and IDA’s own account an amount equal to two percent (2%) of the Supplemental Contribution.

(D) The following provisions of the Administration Agreement are hereby replaced as follows:

(i) Article 3, Section 3.02

The Commission undertakes to finance EUR 102,500,000.00 for the Trust Fund.
(ii) Article 4, Section 4.01

Payments will be made in accordance with Article 15 of the General Conditions, and in accordance with the following payment schedule:

Advance payment  EUR 49,200,000 {received as of the date of this Addendum No.1}
1st Intermediate payment  EUR 12,300,000
2nd Intermediate payment  EUR 30,750,000
Final payment  EUR 10,250,000

(Subject to the provisions of the General Conditions).

The World Bank Group shall convert such funds into United States Dollars promptly following receipt of the funds, and receipt of all the appropriate legal documentation and the payment details information.

(iii) Annex IV (Indicative Budget for the Trust Fund)

Annex IV is revised to read as set forth in the Attachment to this Addendum No.1.

All other terms and conditions of the Administration Agreement, its previous addenda and its Annexes remain unchanged. This addendum shall enter into force with effect on May 28, 2015, upon signature by the Parties.

This addendum shall constitute an amendment to the Administration Agreement between the Bank and the Commission upon countersignature. Please confirm your acceptance to the foregoing, on behalf of the Commission, by signing and dating the two originals, retaining one original for your records and returning one original to the Bank.

For the Bank
Name  Stephen Adekeye
Title  Acting Country Director
Signature
Date  July 7, 2015

For the Contracting Authority
Name  [Signature]
Title  Head of CoopExtn
Signature
Date  7/3/2015