Richard Moore  
First Assistant Director General  
Asia Division  
Australian Agency for International Development  
GPO Box 887  
Canberra ACT 2601  
Australia  

Dear Mr Moore,

Second Amendment to the Administration Agreement for the Australia—East Asia and Pacific Region Infrastructure for Growth Trust Fund (Trust Fund No. TF070865)

1. We refer to the Administration Agreement (the “Administration Agreement”) between the Government of Australia (“Donor”) and the International Bank for Reconstruction and Development and the International Development Association (collectively the “Bank”), signed on behalf of the Bank on September 5, 2007 and countersigned on behalf of the Donor on September 13, 2007, as amended by Letter dated February 18, 2009, regarding the East Asia and the Pacific Region Infrastructure for Growth Trust Fund (TF070865) (the “Trust Fund”)

2. We are pleased to acknowledge on behalf of the Bank, the intention of the Donor to make an additional contribution to the Trust Fund in an amount of up to seven million seven hundred thousand Australian dollars (AUD7,700,000) (the “Additional Contribution”). With this Additional Contribution, the total amount allocated by the Donor to this Trust Fund will now aggregate to forty seven million seven hundred thousand Australian dollars (AUD47,700,000) plus two hundred twelve thousand two hundred twenty six Unites States dollars and thirty one cents (USD212,226.31).

3. The Donor shall deposit the Additional Contribution, on or before June 30, 2013, into such Bank account designated by the Bank, following countersignature of this Agreement by the Donor and submission of a payment request by the Bank.

4. 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 TF070865 (East Asia and the Pacific Region Infrastructure for Growth Trust Fund), 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.
5. Immediately upon receipt of the Additional Contribution funds, the Bank will convert such funds into United States dollars.

6. Additionally, pursuant to recent discussions between the Bank and the Donor, the Bank proposes to amend the Administration Agreement to (i) extend the closing/completion date; (ii) update contact information, (iii) revise the fee structure; and (iv) revise the program description included in the Annex to the Administration Agreement, all as set out in Schedule I hereto, which constitutes an integral part hereof.

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

8. The Bank will disclose this Agreement and related information on this 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 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 yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s/ James Adams

James Adams
Regional Vice President
East Asia & Pacific Region

Confirmed and Agreed:
GOVERNMENT OF AUSTRALIA THROUGH THE AUSTRALIAN
AGENCY FOR INTERNATIONAL DEVELOPMENT

By/s/ Rod Brazier

Title: Acting First Assistant Director General
Date: December 21, 2011
Schedule 1
(Additional Changes to the Administration Agreement)

1. Section 1.01 of the Administration Agreement is amended to read as follows:

“In pursuance of the Cofinancing and Trust Funds Framework Agreement between the Government of Australia (“Donor”) and the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”) dated June 2, 2004 (the “Framework Agreement”), as amended, I am pleased to inform you of the intention of the Donor to make available as a grant the sum of (i) forty million Australian Dollars (AUD40,000,000) (the “Initial Contribution”); and (ii) two hundred and twelve thousand two hundred and twenty-six United States dollars and thirty one cents (USD212,226.31) (the “Supplemental Contribution”); and (iii) up to seven million seven hundred thousand Australian dollars (AUD7,700,000) (the “Third Contribution”) (together the “Grant”), to be administered by the Bank for the East Asia and Pacific Region Infrastructure for Growth Trust Fund (Trust Fund No. TF070865).”

2. Section 2.03 of the Administration Agreement is amended to read:

“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 Grant funds, deduct and retain for its own account an amount equal to one and six tenths percent (1.6%) of the Grant. In addition, the Bank may deduct from the Grant funds and retain for the Bank’s own account actual administration costs up to a 5% of the Grant up to a maximum of two million five hundred thousand United States Dollars (USD2,500,000) for expenses including the overall program management and oversight, work program development and reporting, dissemination and knowledge sharing, and travel costs for annual meetings with AusAID.

If the contributions increase beyond what was originally expected at the time of counter-signature of this Agreement, and the administrative costs increase as a result, the Donor acknowledges that an additional administrative fee may be applied to such new contributions.”

3. The first sentence of Section 3.01 of the Administration Agreement is hereby amended to read as follows:

“The Grant funds may be used to finance expenditures for the Program from the date of the latest countersignature of this Agreement and ending on December 31, 2014.”
4. In Section 5.01 of the Administration Agreement the name and contact information of the officers responsible for coordination of all matters related to the Administration Agreement are replaced by the following, respectively:

For the Government of Australia:

"Name: Richard Moore  
Title: First Assistant Director General  
Asia Division  
AusAID  
GPO Box 887  
Canberra ACT 2601  
Australia  
Tel: +61 (02) 6206 4003"

For the Bank:

"Name: Aldo Baietti  
Title: Lead Infrastructure Specialist  
Unit/Mailstop: EASIN/MC9-915  
The World Bank  
1818 H Street NW  
Washington DC 20433  
USA  
Tel: +1 (202) 473 2750  
Fax: +1 (202) 477 1205"

5. The Annex to the Administration Agreement (AusAID – East Asia and Pacific Region Infrastructure for Growth Trust Fund Program Description), is replaced in its entirety by the text set forth below.
ANNEX

AusAID - East Asia and Pacific Region
Infrastructure for Growth Trust Fund
Program Description

As part of its “Infrastructure for Growth Initiative”, AusAID intends to provide grant funds over seven years (FY08-FY14), for use on infrastructure activities in the countries of East Asia and the Pacific (EAP). The Trust Fund is intended to support the EAP region’s sector strategies in energy, transport, urban development (including water and sanitation), gender mainstreaming and social development, telecommunications, and other emergent thematic areas such as disaster risk management and infrastructure finance.

Proposed Strategic Partnership and Development Objectives

Objective: With an overarching and higher level goal to contribute to reduced poverty and sustainable development by accelerating economic growth through improved infrastructure in the EAP countries, the specific objectives of the proposed Trust Fund are:

(i) Development Aspects: to foster an enabling environment for infrastructure development and facilitating infrastructure service delivery; and

(ii) Partnership Aspect: to enhance cooperation between AusAID and the World Bank in improving aid effectiveness in EAP

These objectives are expected to be achieved by:

(i) financing activities that will strengthen policy and regulatory environments and systems for infrastructure management in areas including: planning, budgeting and prioritization processes; financing, regulatory systems, private sector participation, regional integration, governance and mainstreaming of HIV/AIDS response and gender equity;

(ii) financing activities that lead to investment in priority infrastructure, improved maintenance of infrastructure, improved operation, quality and reliability of services, enhanced infrastructure planning and management, and fostering infrastructure service provision by the private sector, community participation, and sub-national governments among others; and

(iii) strengthening collaboration between AusAID and the EAP region of the World Bank through staff involvement in individual or joint activities of both institutions (e.g., as task team members, peer/technical reviewers, and consultations with in-country AusAID representatives) particularly those financed by the Trust Fund, information sharing, working in partnership with clients, other donor agencies and regional institutions and stakeholders.

Beneficiary: The Trust Fund may be used for activities which would benefit the countries of EAP region.

Trust Fund Commitments

The Trust Fund will be established as a single donor programmatic trust fund.
Eligible Activities

The work program under the Trust Fund will include a mix of types of activities, including:

- Bank-executed analytical and advisory assistance;
- Bank-executed development lending, project appraisal and supervision activities;
- Recipient-executed technical assistance including project preparation; and
- Recipient-executed investment.

Bank-executed grant funds may be used for the following categories of expenditures:

- Short term consultant fees;
- Contractual services;
- Extended term consultants;
- Temporary staff costs;
- Staff costs (Salary + Benefits + Indirects);
- Associated overheads;
- Travel expenses; and
- Media and workshop costs.

Expense categories for Recipient-executed grants will be provided for in the relevant grant agreements between the Bank and recipient following Bank policies and procedures.

Selection Criteria

The Trust Fund may be used to support work of benefit to any Bank client country in the EAP region, through activities in respect of infrastructure, including:

- electricity generation, transmission and distribution;
- natural gas transmission and distribution;
- piped water and sanitation services;
- roads;
- other transport infrastructure, including airports, ports, railways, and urban mass transit systems;
- telecommunications;
- infrastructure finance, including green infrastructure finance;
- climate change mitigation and adaptation;
- disaster risk management;
- urban development;
- rural development;
- gender mainstreaming; and
- social development.

The funds may be used for any activity contributing to the objectives of the Trust Fund which are:

- activities related to program and project development of infrastructure related activities agreed between AusAID and the Bank;
- activities consistent with Bank country assistance and sector strategies; and
- activities contributing to enhance the partnership dimension.
Over the seven years of the Trust Fund AusAID and the Bank will agree on a work program in line with the following indicative guidelines:

- analytical activities of regional significance;
- development lending, appraisal and supervision; and
- country-specific analytical and policy activities.

**Governance Structure**

The designated Program Manager will develop the work program based on inputs from country and sector management units. The EAP Transport, Energy and Urban Sustainable Development (EASIN) Departmental Management Team will provide the Program Manager with strategic guidance in the development of the draft work program. Within the Bank, the Director of the EAP Sustainable Development Department (EASSD) will be responsible for approving activities for inclusion in the list of proposed activities. Approval of the work program, and any necessary amendment, will be given by exchange of letters between AusAID and the EAP Sustainable Development Director.

Individual task managers will be assigned to manage each grant-funded activity under the trust fund.

**Coordination with AusAID**

Annual discussions between the Bank and AusAID on the trust fund work program will occur at a time that enables inclusion of activities within annual Bank work programs. The annual discussions will review progress over the past year, and identify areas of focus for the coming year.