December 9, 2015

His Excellency Bill Tweddell  
Ambassador  
Australian Embassy  
Level 23 Tower 2, RCBC Plaza  
6819 Ayala Avenue  
Makati City

Dear Ambassador Tweddell:

Amendment to the Administration Agreement between the Commonwealth of Australia, represented through its Department of Foreign Affairs and Trade, formerly the Australian Agency for International Development, and the International Bank for Reconstruction and Development regarding the Australia World Bank Philippines Development Trust Fund (No. TF071200)

1. Reference is made to the Administration Agreement between the Commonwealth of Australia, represented through its Department of Foreign Affairs and Trade, formerly the Australian Agency for International Development (the “Donor”) and the International Bank for Reconstruction and Development (the “Bank” and together with the Donor, the “Participants”), regarding the Australia World Bank Philippines Development Trust Fund No. TF071200 (the “Trust Fund”) effective as of May 29, 2009, as amended (the “Administration Arrangement”), including the amendment dated 7 December 2012 (countersigned 19 December, 2012) and the Supplemental Contribution dated September 22, 2014 (countersigned on 7 October 2014). The Participants mutually consent to the following amendments to the Administration Arrangement:

2. Section 1.01 is deleted and replaced with the following:

“Section 1.01 I am pleased to inform you of the intention of the Donor, represented by Department of Foreign Affairs and Trade, to make available a grant (the “Grant”) of up to forty seven million ninety four thousand two hundred and eighty eight Australian Dollars (AUD $47,094,288), consisting of AUD forty four million eighty four thousand two hundred ninety seven Australian Dollars (AUD $44,084,297) and two million six hundred fifty nine thousand seven hundred seventy eight United States Dollars (USD $2,659,778, which is equivalent to AUD3,009,991), to be administered by the Bank for the Australia World Bank Philippines Development Trust Fund (Trust Fund No. TF071200) (“Trust Fund”) for the benefit of the Republic of the Philippines (the ”Recipient”).” The Cofinancing and Trust Funds Framework Agreement between the Government of Australia and the International Bank for Reconstruction and Development dated June 2, 2004, as amended on December 14, 2004 does not apply to this Administration Arrangement.”
3. Section 1.02 is deleted in its entirety.

4. Section 1.04 is amended to read as follows:

"Section 1.04. The Bank will maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom. Within ninety (90) days of each March 31, June 30, September 30 and December 31, the Bank will prepare, on a cash basis, an unaudited statement of receipts, disbursements and fund balance with respect to the Trust Fund and forward a copy to the Donor. Such statement will be expressed in the currency in which the funds are maintained by the Bank. Such statement will, to the extent feasible, be provided electronically through the Bank's Donor Portal (http://info.worldbank.org/donor) (or such other electronic location as the Bank may inform the Donor). The Bank will provide an annual report on the activities financed by the Grant and a final report on the activities following the Completion Date."

5. Section 2.01 is deleted and replaced with the following:

"Section 2.01 The Donor, represented by Department of Foreign Affairs and Trade (formerly the Australian Agency for Development), will deposit the Grant funds into such bank account designated by the Bank upon submission of a payment request from the Bank, in accordance with the following schedule:

- Upon Australian Government, World Bank signing of this Administration Arrangement AUD7,513,746
  (composed as follows: Mindanao Rural Development Program AUD3,900,000; Conditional Cash Transfer Technical Assistance AUD1,564,000; Policy Analytical Fund AUD1,875,000; and program management fees).

- From July 2009 to June 2015, subject to legislative appropriations (excluding the Supplemental Contribution from TF029047) AUD 36,570,551

- Transferred from TF 029047 pursuant to the Supplemental Contribution Amendment dated September 22, 2014 and countersigned October 7, 2014. USD 2,659,778 (AUD equivalent 3,009,991)

Total AUD 47,094,288
6. Section 3.01 will be deleted and replaced with the following:

"Section 3.01 The Grant funds may be used to finance expenditures for the Project commencing on the latest countersignature of this Arrangement and ending on June 30, 2019. The Bank may make disbursements of the Grant funds for up to six (6) months after such latter date for expenditures incurred on or before such date, in accordance with the Bank’s applicable policies and procedures."

7. Section 4.01 is deleted and replaced with the following

"Section 4.01 Either Participant may, upon giving the other Participant three (3) months prior written notice, cancel that part, if any, of the Grant funds provided under this Administration Arrangement that the Bank has not committed prior to receipt of such notice under agreements entered into by the Bank with any third party, including any Grant Agreement. Upon such cancellation, and unless the Participants hereto mutually decide on another arrangement, the Bank will credit the uncommitted balance to the Donor."

8. Throughout the Administration Arrangement, replace the word ""shall"" with ""will"" wherever it appears.

9. Throughout the Administration Arrangement, replace the word ""Agreement"" with ""Arrangement"" wherever it appears, except where the word ""Agreement"" appears in the phrase ""Framework Agreement"".

10. In addition, the following paragraph will be added to the Administration Arrangement as a new Section 5.02.

"It is understood that this Administration Arrangement, including any Annexes, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the United Nations Charter, nor is it, in the Donor’s understanding, any other form of international agreement. It is an administrative arrangement between the Bank and the Donor."

11. The paragraph immediately preceding the signature blocks is deleted and replaced with the following:

"This Administrative Arrangement is drawn up in two originals, one for each Party. It may be amended only by written mutual consent of the Parties hereto."

12. All other terms of the Administration Arrangement will remain the same.

13. The Bank will disclose this Amendment in accordance with the Bank’s Policy on Access to Information. By entering into this Amendment, the Donor consents to such disclosure.

14. Each of the Participants represents, by confirming its acceptance below, that it is authorized to enter into this Amendment and act in accordance with its provisions. The Bank and the Donor
are each requested to sign and date this Amendment, and upon possession by the Bank of this fully signed Amendment, this Amendment will become effective as of the date of the last signature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Motoo Konishi
Country Director, Philippines
East Asia and Pacific Region

GOVERNMENT OF AUSTRALIA THROUGH THE DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (FORMERLY USAID)

By: 
Name: Bill Tweddell
Title: AMBASSADOR
Date: 10 DECEMBER 2015