Ms. Lisa Phillips  
Head, UK Department for International Development (DFID)  
P.O. Box 30465-00100  
British High Commission  
Upper Hill  
Nairobi, Kenya

Second Additional Contribution and Amendment to the Trust Fund  
Administration Arrangement between the Government of the United Kingdom of Great Britain and Northern Ireland, acting through its Department for International Development (DFID) and the International Development Association concerning the Cash Transfer for Orphans and Vulnerable Children Program Multi-Donor Trust Fund No. 071488

Dear Madam:

1. We refer to the Administration Arrangement between the Government of the United Kingdom of Great Britain and Northern Ireland, acting through its Department for International Development (the “Donor”) and the International Development Association (“IDA” or the “Bank”) regarding the Cash Transfer for Orphans and Vulnerable Children Program Multi-Donor Trust Fund (TF 071488) (the “Trust Fund”) effective May 24, 2010, (the “Administration Arrangement”), as amended.

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 the amount of thirty six million six hundred ninety seven thousand and six hundred sixteen thousand Pound Sterling (£36,697,616) (the “Additional Contribution”). With this Additional Contribution, the total amount allocated by the Donor to this Trust Fund will now aggregate to fifty eight million six hundred ninety seven thousand and six hundred sixteen thousand Pound Sterling (£58,679,616) (the “Contribution”). Paragraph 3 of the Administration Arrangement will therefore be amended to reflect the new Contribution payment schedule to read as follows:

“3. The Donor will deposit the Contribution into a bank account designated by the Bank in installments in accordance with the following schedule:
promptly following countersignature of this Agreement by the Donor, an amount of eight million two hundred fourteen thousand eight hundred thirty two Pounds Sterling (£8,214,832);

(b) on or before November 30, 2014 an amount of nine million one hundred twenty nine thousand nine hundred eighty Pounds Sterling (£9,129,980) upon submission of a payment request by the Bank;

(c) on or before November 30, 2015 an amount of nine million four hundred twenty five thousand and nine hundred forty Pounds Sterling (£9,425,940) upon submission of a payment request by the Bank; and

(d) on or before November 30, 2016 an amount of nine million nine hundred twenty six thousand eight hundred sixty four Pounds Sterling (£9,926,864) upon submission of a payment request by the Bank.”

3. The Donor shall deposit the Additional Contribution into such bank account designated by the Bank promptly 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 TF071488, Cash Transfer for Orphans and Vulnerable Children Program Multi-Donor 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:

(a) **amend paragraph 9.2 of Annex 2 to the Administration Arrangement to extend the closing date to read as follows:**

“9.2 It is expected that the Contributions will be fully disbursed by the Bank by December 31, 2016. The Bank will only disburse Contributions for the purposes of this Arrangement after such date with the written approval of the Donors.”
(b) **Amend Section A of Annex 1 to the Administration Arrangement to read as follows:**

"A. DEFINITIONS

Unless the context requires otherwise, the capitalized terms used in this Arrangement have the meanings ascribed to them in the Standard Conditions or in this Arrangement, and the following terms have the following meanings:

1. "Beneficiary" means an Eligible Household (as hereinafter defined) that has been selected and has enrolled to receive Cash Transfers (as hereinafter defined) under the Project.

2. "Cash Transfer" or "CT" means a transfer of funds in the form of a nonrefundable grant by the recipient of the grant to a Beneficiary with the aim of relieving the economic burden of caring for an OVC and to reduce the cost of the OVC accessing basic education, health and birth registration services (as some of these expressions are hereinafter defined).

3. "Cash Transfer Programs" or "CTPs" means collectively, (a) the Cash Transfer for Orphans and Vulnerable Children Program; (b) the Hunger Safety Net Program; (c) the Older Persons Cash Transfer Program; (d) the Urban Food Subsidy Cash Transfer Program; and (e) the Persons with Severe Disabilities Cash Transfer Program, and Cash Transfer Program means each individual CTP.

4. "Department of Children Services" or "DCS" means the Department of Children Services in the MLSSS (as hereinafter defined).

5. "Eligible Household" means a household on the Recipient's territory, which meets the eligibility criteria for receipt of Cash Transfers.

6. "MLSSS" Ministry of Labor, Social Security and Services" means the Recipient's ministry responsible for labor, social security and services .or its legal successor thereto.

7. "NSNP" or "National Safety Net Program" means the Recipient's program described in the document dated May 2013 and entitled "National Safety Net Programme Document" designed to support poor and vulnerable households to improve their welfare and resiliency through the Cash Transfer Programs”.

8. "Orphans and Vulnerable Children" or "OVC" mean children under eighteen (18) years old, who: (i) are single or double orphan, (ii) are chronically ill or who have a caregiver who is chronically ill, or (iii) live in a child-headed household."

(c) **amend section B of Annex 1 to the Administration Arrangement to reflect the revised objective of the Project and the new scope of the technical component to read as follows:**
"Description of Activities

The objectives of the Project are to: (a) increase social safety net access for extremely poor Orphans and Vulnerable Children households and (b) build the capacity of the Recipient to more effectively deliver the National Safety Net Program. The activities covered by the Contribution are as follows:

1. **Recipient-Executed Trust Fund Activities:**

(a) Strengthening the ability of vulnerable households to protect and care for OVC, ensuring that OVC stay within their communities and can be cared for effectively, by:

(i) Providing Cash Transfers to selected households; and

(ii) Supporting activities related to the transfer of Cash Transfers to Beneficiaries.

(b) Strengthening the capacity of the government to deliver the NSNP by: strengthening program systems to promote good governance; harmonizing Cash Transfer Programs to improve sector coherence; and building the capacity of the institutions responsible for the Cash Transfer Programs to promote more comprehensive and equitable coverage of the relevant household.

2. **Bank-Executed Trust Fund Activities:**

(a) Enhanced Management, Oversight and Supervision Carrying out enhanced supervision and oversight of the overall NSNP through close in-country monitoring provided through technical assistance and consultant services.

(b) Program Management and Trust Fund Administration.

Carrying out activities related to Trust Fund management and administration."

(d) **Amend the second paragraph of Section C of Annex 1 to the Administration Arrangement to read as follows:**

“For Recipient-Executed activities, the Contribution may be used to finance (a) Goods, Works, Consultants’ Services, Cash Transfers, Training and Operating Costs under the Project.

7. Furthermore, notwithstanding Section 3 of the Standard Provision, Administration Cost Recovery to the Administration Arrangement, 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 Supplemental Contribution by the Donor, deduct from the Supplemental Contribution and retain for the Bank’s own account an amount equal to 1% of the Supplemental Contribution. In addition costs for program management and trust fund administration as defined in Annex 1.B up to a maximum 1 % of the Supplemental Contribution will be charged to the Trust Fund."
8. In addition, notwithstanding Section 4 of the Standard Provision, in order to assist the Bank in carrying out enhanced supervision, coordination and monitoring of the Program, IDA will charge the Trust Fund's aggregate contributions from all donors, the costs directly attributed to such activities, as defined in Annex 1.B, in an amount not to exceed two point five percent (2.5 %) of the Supplemental Contribution.

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

10. The Bank will disclose this Administration Arrangement 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.

11. We propose that this letter shall 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 DEVELOPMENT ASSOCIATION

[Signature]

Darietou Gaye
Country Director for Kenya
African Region

CONFIRMED AND AGREED:

THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)

By: [Signature]

Name: Lisa Phillips

Date: 5.11.13

Title: Head of DFID Kenya