ADDENDUM N° 1 TO
ADMINISTRATION AGREEMENT N° DCP-ASIE/2013/331-133
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 3,800,000.00 pursuant to the Administration Agreement concluded between the Commission and the Bank on 04 December 2013 (Administration Agreement) by an additional EUR 5,000,000.00 ("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 5,000,000.00) will be used for the purpose of co-financing of the National Solidarity Programme III referred to in Annex I of the Administration Agreement, i.e. NSP III. 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 December 31, 2016.

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

(i) **Article 3, Section 3.02**
The Commission undertakes to finance EUR 8,800,000.00 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 1,900,000 (received as of the date of this Addendum No.1)
- **1st Intermediate payment** EUR 3,010,000
- **2nd Intermediate payment** EUR 3,010,000
- **Final payment** EUR 880,000

(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.

All other terms and conditions of the Agreement, its previous addenda and its Annexes remain unchanged. This addendum shall enter into force on the later date of 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.

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**For the Bank**

Name: Stephen N. Ndegwa  
Title: Acting Country Director  
Signature: [Signature]  
Date: Dec. 3, 2014

**For the Contracting Authority**

Name:  
Title:  
Signature: [Signature]  
Date: 7 Nov 2014