Dear Ms. Donnelly:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively, the "Bank") that the Government of the United Kingdom of Great Britain and Northern Ireland acting through the Department for International Development (the "Donor") will make available as a grant the sum of one million two hundred and seventy five thousand Pounds Sterling (£1,275,000.00) (the "Contribution") for the Household Budget Survey 2013-14 Multi-Donor Trust Fund for Yemen (the "Trust Fund") in accordance with the provisions of this Arrangement. Other donors are also expected to contribute to the Trust Fund in accordance with the provisions specified in the Annexes to this Arrangement.

2. The Contribution will be used to finance the activities and the categories of expenditure set forth in the "Description of Activities and Expenditures under the Household Budget Survey 2013-14 Multi-Donor Trust Fund for Yemen (YHBSTF) (TF No.TF072001)" attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Arrangement including the "Standard Provisions Applicable to the Household Budget Survey 2013-14 Multi-Donor Trust Fund for Yemen" (the "Standard Provisions") attached hereto as Annex 2.

3. The Donor will deposit the Contribution into such bank account designated by the Bank in installments in accordance with the following schedule:
(a) promptly following countersignature of this Arrangement by the Donor and upon submission of a payment request by the Bank, £ 556,000.

(b) on or before 30 April 2013 and upon submission of a payment request by the Bank, £ 500,000 in quarterly installments based on need.

(c) on or before 30 April 2014 and upon submission of a payment request by the Bank, £ 219,000 in quarterly installments based on need.

4. When making each such deposit, the Donor will 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 TF072001(Household Budget Survey 2013-14 Multi-Donor Trust Fund for Yemen), and the date of the deposit (the “Deposit Instruction”). In addition, the Donor will provide a copy of the Donor’s 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. The Bank will convert the Contribution funds into the holding currency of the Trust Fund, namely the United States Dollars, promptly upon receipt of the Contribution funds and the Deposit Instruction containing the information specified in paragraph 4 at the exchange rate obtained by the Bank on the date of the conversion. Where the Contribution proves to be insufficient to complete the activities as a result of an exchange rate fluctuation, neither the Bank nor the Donor will bear any responsibility for providing any additional financing.

6. Except as provided for in paragraph 4 above, any notice, request or other communication to be given or made under this Arrangement will be in writing and delivered by mail, facsimile or e-mail to the respective party’s address specified below or at such other address as such party notifies in writing to the other party from time to time:

For the Bank:

Name: Umar Serajuddin
Title: Economist
Unit/Department: Economics Policy, Poverty & Gender (MNSED)
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: (202) 458 0528
Fax: (202) 477 0432
E-mail: userajuddin@worldbank.org
For the Donor:

Name: Claire Fitzroy  
Title: Deputy Programme Manager, DFID Yemen  
Unit/Department: Middle East and North Africa Department (MENAD)  
Department for International Development (DFID)  
1 Palace Street  
London  
SW1E 5HE  

Tel: +44 (0) 207 023 1757  
E-mail: C-Fitzroy@dfid.gov.uk

7. All annexes hereto constitute an integral part of this Arrangement. This Arrangement may be amended only in writing between the Bank and the Donor; provided, however, that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.

8. Please confirm your acceptance with the foregoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your record and returning the other original to the Bank. Upon receipt by the Bank of the original Arrangement, countersigned by you, this Arrangement will become effective as of the date of the countersignature. It is understood that this Arrangement is not an international Treaty. It is an administrative Arrangement between DFID and the Bank.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/  
INTERNATIONAL DEVELOPMENT ASSOCIATION

Hartwig Schafer  
Director  
Yemen, Egypt and Djibouti Country Department
AGREED:

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
ACTING THROUGH THE DEPARTMENT FOR INTERNATIONAL
DEVELOPMENT (DFID)

By: __________________

Name: EMMA DONNELLY

Title: HEAD OF DFID YEMEN

Date: 12/2/13
Description of Activities and Expenditures under the Household Budget Survey (HBS) 2013-14 Multi-Donor Trust Fund for Yemen

This Annex will be applicable to and form an integral part of all agreements entered into between the Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

The objective of the YHBSTF is to assist Yemen in filling the knowledge gap on social and economic indicators and poverty by developing and implementing the next round of the Household Budget Survey (HBS), through supporting the Central Statistical Organization (CSO) of Yemen in survey design, sampling, enumeration, and data entry and processing. Survey-generated data will be used to support the poverty-reduction efforts of the Government of Yemen and of international donors by meeting their data and analytical needs for planning, decision-making and monitoring purposes.

(i) Bank-Executed Trust Fund Activities:

(a) Supervision of survey and quality control.
(b) Trust fund administration and management.

(ii) Recipient-Executed Trust Fund Activities:

(a) Pre-survey preparations including supplies and goods, training and technical workshops.
(b) Conducting a year-long fieldwork for the survey.
(c) Data entry and dissemination.

B. CATEGORIES OF EXPENDITURE

For Bank-Executed activities, the Contributions may be used to finance: (a) associated overheads; (b) consultant fees individuals and firms; (c) contractual services; (d) extended term consultants; (e) media, workshops, conferences and meetings; (g) staff costs – with indirect costs; (h) temporary support staff costs; (i) temporary staff costs – no indirects; and (j) travel expenses.

For Recipient-Executed activities, the Contributions may be used to finance: (a) consultant services; (b) goods; (c) operating costs; and (d) training.

The foregoing categories of expenditures may include the financing of taxes.
ANNEX 2

Standard Provisions Applicable to the
Household Budget Survey (HBS) 2013-14
Multi-Donor Trust Fund for Yemen

This Annex will be applicable to and form an integral part of all agreements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

1. Administration of the Contributions

1.1. The Bank will be responsible only for performing those functions specifically set forth in this Arrangement and will not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Arrangement will be considered a waiver of any privileges or immunities of the IBRD and IDA under their Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. The Contribution will be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank’s obligations to give effect to the relevant decisions of the Security Council, taken under Chapter VII of the Charter of the United Nations. The Donor acknowledges that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to the Donor, nor will it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contributions will be accounted for as a single trust fund and will be kept separate and apart from the funds of the Bank. The Contributions may be commingled with other trust fund assets maintained by the Bank.

2.2. The Contributions may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

2.3. The Bank will invest and reinvest the Contributions pending their disbursement in accordance with the Bank’s policies and procedures for the investment of trust funds administered by the Bank. The Bank will credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.
3. **Administrative Cost Recovery**

3.1. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, the Bank may deduct and retain for its own account an amount equal to two percent (2%) of each Contribution. In addition, costs for program management and trust fund administration as defined in Annex 1 up to a maximum of 1.16% of the contribution will be charged to the Trust Fund on an actual basis. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration arrangement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

4. **Grants to Recipient**

4.1. The Bank will, as administrator of the Trust Fund on behalf of the Donors, enter into a grant agreement (the “Grant Agreement”) with the “Recipient” selected in accordance with the governance terms of Annex 1 (the “Recipients”) consistent with the purposes of this Arrangement and on the terms and conditions set forth in the Grant Agreement. The Grant Agreement may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Arrangement between the Bank and the Donors. Upon request by a Donor, the Bank will furnish a copy of the Grant Agreement to the Donors.

4.2. The Bank will be responsible for the supervision of the activities financed under the Grant Agreement. Subject to the consent of the Recipient, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

4.3. The Bank will promptly inform the Donors of any significant modification to the terms of any Grant Agreement and of any contractual remedies that are exercised by the Bank under any Grant Agreement. To the extent practicable, the Bank will afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.

5. **Procurement**

5.1. For Recipient-executed activities, the Grant Agreement will provide that the Contributions will be used by the Recipient to finance expenditures for goods and services, as the case may be, in accordance with the Bank’s Guidelines on “Procurement under IBRD Loans and IDA Credits” and the Bank’s Guidelines on the “Selection and Employment of Consultants by World Bank Borrowers,” as in effect at the date of entry into the respective Grant Agreement.
5.2. For Bank-executed activities, the employment and supervision of any consultants and the procurement of any goods financed by the Contributions will be the responsibility of the Bank and will be carried out in accordance with its applicable policies and procedures.

6. **Accounting and Financial Reporting**

6.1. The Bank will maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund account and disbursements made therefrom.

6.2. The Bank will furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Contributions will be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

6.3. The Bank will provide to the Donors, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (1) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (2) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit will be borne by the Bank.

6.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank will first consult as to whether such an external audit is necessary. The Bank and the Donor will agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank will arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, will be paid by the requesting Donor.

6.5. The Bank will provide the Donors with copies of all financial statements and auditors’ reports received by the Bank from the Recipient pursuant to the Grant Agreement.

7. **Progress Reporting**

7.1. The Bank will provide the Donors with semi-annual reports on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.1, the Bank will furnish to the Donors a final report on the activities financed by the Trust Fund.
7.2 Any Donor may review or evaluate activities financed by the Trust Fund. The Donor and the Bank will agree on the scope and conduct of such review or evaluation, and the Bank will provide all relevant information within the limits of its policies and procedures. All associated costs will be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

8. **Disbursement; Cancellation; Refund**

8.1 It is expected that the Contributions will be fully disbursed by the Bank by December 31, 2015. The Bank will only disburse Contributions for the purposes of this Arrangement after such date with the written approval of the Donors.

8.2 Any Donor or the Bank may, upon three (3) months' prior written notice, cancel all or part of the Donor’s pro rata share, of any remaining balance of the Contributions that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Arrangement prior to the receipt of such notice, including the Grant Agreement.

8.3 Following the final disbursement date specified in paragraph 8.1, the Bank will return any remaining balance of the Contributions to the Donors or to the relevant Donor Balance Account on a pro rata basis based on the Donors' paid Contributions. In the event of a cancellation the Bank will promptly return to the relevant Donor or Donors or to the relevant Donor Balance Account the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 8.2.

9. **Disclosure**

The Bank will disclose this Arrangement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Arrangement, Donors consent to disclosure of this Arrangement and related information on this Trust Fund.