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June 15, 2) [3]

Mr. Robin Milton Head of Office

United Kingdom Departmen: for International Development

DFID Jerusalem

Transmission by email: rmilton@dfid.gov.uk

Amendment to the Toust Fund Administration Agreement between the United Kingdom of Great Britain and Northern Ireland acting through The Department for International Development and the International Bank for Reconstruction and Development and the International Development Association concerning the Trust Fund for the Strategic Partnership on Governance (TF070469)

Dear Mr. Milton,

- 1. We refer to the Trust Fund Administrative Agreement between the United Kingdor 1 of Great Britain and Northern Ireland, acting through the Department for International Development (the "Dor or") and the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively, the "Bank") regarding the Trust Fund for the Strategic Partnership of Governance (TF070469) (the "Trust Fund") dated February 20, 2006, as amended the "Administration Agreement").
- 2. We are pleased to acknowledge on behalf of the Bank the intention of the Dono to make a supplemental contribution to the Trust Fund in the amount of One hung read thirty seven thousand Pound Sterling (137,000) (the "Supplemental Contribution"). With this Supplemental Contribution, the total amount allocated by the Donor to the Trust Fund will now aggregate to One million six hundred ninety-eight thousand that hundred Pound Sterling (1,698,500) and the term defined as "Contribution" in the Administrative Agreement will be deemed to include the Supplemental Contribution.
- 3. The Supplement Contribution shall be used to finance Activities described in the attached Annex.
- 4. The Donor shall deposit the Supplemental Contribution into such bank accorn designated by the Bank promptly following countersignature of this agreement by the Donor and submission of a payment request by the Bank in accordance with the following schedule:

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- (i) Forty five thousand Pound Sterling (45,000) promptly following countersignature of this Agreement by the Donor;
- (ii) Forty six thousand Pound Sterling (46,000) in December 2015 upo submission of a payment request by the Bank; and
- (iii) Forty six thousand Pound Sterling (46,000) in June 2016 upon submission of payment request by the Bank.
- 5. When making the deposit, the Donor will instruct its bank to include in its payr is not details information (remittance advise) field of its SWIFT payment message information indicating the amount paid, that the payment is made by the Donor for TF070469 (Trust Fund for the Strategic Partnership on Governance) and the date of the deposit. In addition, the Donor will provide a copy of the Donor's deposit instruction to the Benk's Accounting Trust Funds Division by e0mail semi to the tremitadvice@worldbank.org or by fax sent to (202)614-1315.
- 6. Immediately upon receipt of the Supplemental Contribution, the Bank will convert such funds into United States dollars.
- 7. In paragraph 10.1 of the administrative agreement, the date by which the Contribu ion is expected to be fully disbursed is revised read "June 30, 2016".
- 8. Unless otherwise defined in this amendment, terms defined in the Administra i & Agreement have the same meanings in this amendment.
- 9. All other terms of the a lministrative Agreement remain the same.
- 10. It is the Bank's policy to make publicly available the Administrative Agreement in c any information related thereto, including this Amendment after it has $beccn \epsilon$ effective.
- 11. Please confirm your understanding to the foregoing, on behalf of the Donor, by signing, dating, and returning to us one of the enclosed originals of this amendment. Upon receipt by the Bank of the original of this Amendment countersigned by you, 113 Amendment will become effective as of the date of countersignature.

INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

Est Tur

Steen Jorgensen Country Director

CONFIRMED AND ACCEPTED:

Adi-Kreith

By:

Authorized Representative

Name: Robin Milton, Head of Office

Date: 17/6/15

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Description of Activities and Expenditures to be financed under the Supplemental Contribution for the Trust Fund for Strategic Partnership on Governance

The Supplemental trust fund contribution would be used to finance activities aime Lat building the World Bank's capacity to influence the Palestinian Authority to make progress on Public Financial Management and Governance in close coordination with all the other activities of the Donor community. To achieve this objective, the tast fund contribution will be used to: (i) strengthen anti-corruption controls in the West Bank and Gaza, especially by the PA's understanding of the need and options for reform to provide Public Access to Information, as evidenced by action taken; (ii to deliver Public Financial Management Reform through support to the Ministry of Finance and coordination of donors, (notably by launching a new PEFA assessment has complies with international best practice and a related action plan that will address the main weaknesses raised by this assessment); and (iii) effectively monitoring the Palestinian Authority's results and budget execution to safeguard the value for money of donor funds being provided to the PRDP Trust Fund, especially by relying on the reports of the State Audit and Administrative Control Bureau and their recommendations to address priority issues.

In achieving the results above mentioned, the following outputs will be delivered by the World Bank:

Output indicator 1.1 - June 2016: Support MoF and Aman with the issuance of Cit zer Budget through two technical missions in early 2016. Provide all support and materials for presenting a 2016 Citizer Budget (in March/April 2016)

Output indicator 2.2 – June 2016: 75% of 2013 PEFA action plan completed.

Output indicator 2.3 – June 2016: The PA improves the level of detail of its month y and quarterly fiscal reporting by having reliable reporting on arrears stock/flux/age-profile.

Output indicator 2.4 – December 2015: One workshop with the PA completed to discuss a possible 2016 PEFA.

Output indicator 3.1 – June 2016: Issuance of two reports on the SAACB audit of ta: 2011 (in October 2015) and 2012 financial statements (June 2016).

Output indicator 3.2 – April 2016 (relating to execution Jan-Mar, 2016) and July 2016 (Apr-Jun): Two WB reports analysing PA budget by sector and programme

Output indicator 3.3 – December 2015: Two technical assistance missions to the MoF to issue annual financia statements

Output indicator 3.4 – June 2016: Two reports on Gaza on donor support to the reconstruction effort and on MoF PFM aggregated updates on Public Administration in Gaza (first report in June 2015).

Expenditures Financed by the Supplemental Contribution

The Supplemental Contribution will be used to finance 50% of the cost of the act violent of the World Bank's PFM expert in the PTs up to Sterling Pound 137,000, in charge among other things, of the program above.

ROJECT NAME	Technical Assistance to Improve Palestinian Public Financial Management	ublic Financial Managemer	 					
		,						
							Only measuring indicators that can be measured up until June 2016	_
PACT	Impact Indicator 1		Baseline Jan - Dec 2012	Milestone Jan - Dec 2013	Milestone Jan - Dec 2014	Target Jan - Dec	Target Jan - Dec	
aceful and prosperous lestinian state and society	Government effectiveness index - MoF lack of oversight, commitment os likely this is going	Planned	40.7	40.7	41 to 50	50 to 55 (score of		
	down not up	Achieved				Joi dari j		
				Sou	Source			
			World Bank indicator (h	World Bank indicator (http://info.worldbank.org/governance/wgi/sc_chart.asp)	governance/wgi/sc_cha	n.asp)		
	Impact Indicator 2		Baseline Jan - Dec 2012	Milestone Jan - Dec 2013	Milestone Jan - Dec 2014	Target Jan - Dec 2015		
	Control of corruption index	Planned	48.3	48.3	50	55 to 58 (score of Jordan)		
		Achieved				(100.00		
				Source	rce			
			IWorld Bank indicator (h	World Bank indicator (http://info.worldbank.org/governance/wgi/sc_chart.asp)	governance/wgi/sc cha	t.asp)		The state of the s
JTCOME	Outcome Indicator 1		ine Jan - Dec	tone Jan - Dec	Milestone Jan - Dec	Target Jan - Dec	Target Jan - Dec	Assumptions
strengthens capacity to be	Public access to key fiscal information -	Dlannor	2102)	713	2014	2015	2016	
e to deliver PFM reforms	indicators PI-10 of PEFA 2013.	riallieu	C (2000)	ر	n	∢		Whilst the current Hamas/Fatah
		Achieved		В	В			spirt confines, the project is unlikely to have any direct impact
				Source	rce			in Gaza.
			World Bank scoring. (If the Proceedings of the Proceedings of the Proceedings of the Procedure)	World Bank scoring, (if the Public Expenditure and Financial Accountability Assessement is completed, this will be used.)	ınd Financial Accountab	ility Assessement is		
	Outcome Indicator 2							
	Carcolle Haleatol &		Baseline Jan - Dec 2012	Wilestone Jan - Dec 2013	Milestone Jan - Dec 2014	Target Jan - Dec 2015	Target Jan - Dec 2016	
	Stock and monitoring of payment arrears -	Planned	D+ (2006)	†a		0		
	Indicator PI-4 of PEFA 2013.	Achieved		٥	ţ.			
				Source	rce			
			World Bank scoring. (If the P completed, this will be used.)	World Bank scoring. (If the Public Expenditure and Financial Accountability Assessement is completed, this will be used.)	nd Financial Accountab	ility Assessement is		
	Outcome Indicator 3		Baseline Jan - Dec 2012	Milestone Jan - Dec 2013	Milestone Jan - Dec 2014	Target Jan - Dec 2015	Target Jan - Dec 2016	
	Percentage of donors who provide	Planned	41%	41%	41%	41%		
	unearmarked financial assistance to the PA	Achieved	***	41%	41%	-		
	(annual reporting, January - December)			Source				RISK RATING
			DFID correspondence w	DFID correspondence with the Ministry of Finance.	.e.			Low
	504,500						A Company of the Comp	
UTS (HR)	PROFESSION OF THE PROPERTY OF		and the second second second second			A COMMON CONTRACTOR OF THE CONTRACTOR	de la maria de la companya de la distribución de la companya del companya de la companya de la companya del companya de la com	20
	0.1 Programme Manager, 0.05 Programme							
	Officer, 0.05 Governance Advisor							
TPUT 1	Output Indicator 1.1		line Jan - Dec	tone Jan - Dec	tone Jan - Dec	Target Jan - Dec	Target Jan - Dec	Assumption
			2012	2013	2014			

PA remains reform orientated and is able to function normally without political instability. The origoing fiscal crisis does not divert the PA from continuing with reforms.		•					RISK RATING	ΓΟW	03	OC.	(seumptions	The World Bank Expert is able to	Finance personnel.							-						
Support MoF and Aman with the issuance of Citizen Budget through two technical missions in early 2016. Provide all support and materials for presenting a 2016 Citizen Budget (in March/April 2016)				Target Jan - Dec	Satisfied			de des primerio de la companya de la			Target Jan- Dec 2016 Assumptions	n/a (coompleted 2013) n/a (coompleted 2013) T				Target Jan- Dec 2016	75% of Action Plan	completed			Target Jan- Dec 2016	3				Tarnet Jan. Dec 2016
Start first TA mission on citizen budget in second half of 2015				Target Jan - Dec	Satisfied		7 - 3 - 17 - 1 - 1 - 1 - 1	ned, Very unsatistied.			Target Jan - Dec	n/a (coompleted 2013)	n/a (coompleted 2013) n/a (coompleted 2013)			Target Jan - Dec 2015	of Action Plan	panalding			Target Jan - Dec	2				Target Jan - Dec
Technical submission of proposals for political decision.	The WB PFME submitted a proposal to assist the PA in preparing citizen budget for 2015.			Milestone Jan - Dec 2014	Satisfied	Satisfied	Second Control of Land	sned, Satished, Unsatish			Milestone 2014/15	Yes (2013)	Yes (2013)			Milestone 2014/15	50% of Action Plan	90%			Milestone 2014	4	V	t		iMilestone Jan - Dec
No action taken	Awareness raised	Source	by DFID annual reviews	Milestone Jan - Dec 2013	Satisfied	Satisfied	Source	sing between: very sam			Milestone Jan - Dec 2013	Yes	Yes	Source		Milestone Jan - Dec 2013	Action Plan drafted	۔	Source	F/WB.	tone Jan - Dec	-	3		Source	imilestone Jan - Dec
No action taken			submitted to DFID. Triangulated by DFID annual reviews.	Baseline Jan - Dec 2012	фегіепсе		ocho sised leunae ne ne	ra skali on an annual basis, choosing between. Very satisfied, Satisfied, Unsatisfied, Very unsatisfied.	2 2 2		Baseline Jan - Dec 2012				website.	e Jan - Dec	No Action Plan			ports. Secretariat is shared by IMF/WB	Baseline Jan - Dec 2012	0				ILEASEITHE JAIN - Dec III
Planned	Achieved		WB quarterly reports submitted		Planned	Achieved	DFID interviews with DA staff of	- B				Planned	Achieved		Publication of PEFA on official website.		Planned	Achieved		PFM working group reports. Se		Planned	Achieved			Train trent ton three sto
PA's understanding of the need and options for reform to provide Public Access to Information, as evidenced by action taken.					Satisfaction of the PA with Expert's ability to	offer technical solutions and to support implementation of policy decisions					Output Indicator 2.1	Whether or not a PEFA assessment has been completed that complies with international best	practice.				Extent that an Action Plan has been drafted and molemented that addresses some of the main	weaknesses raised by the PEFA assessment.	<u> </u>		Output Indicator 2.3	Number of areas where the PA has improved the level of detail of its monthly and quarterly	fiscal reporting.	<u>,</u>	Ц	ביה שותורשותו דים
i-corruption controls in the				ACT WEIGHTING (%)		25%		UTS (£)		UTS (HR)		I reform delivered through or Finance of				-					<u> </u>	<u> </u>	· •			de l'entre

							7	DA and	nistrative						-	<u> </u>							•	_						
		RISK RATING	Medium		:	Assumptions	These is a second	relationship between the PA and	the State Audit and Administrative																	RISK RATING	Low			
n/a (coompleted 2015)	n/a (coompleted 2015)				50	Target Jan - Dec						Target Jan - Dec 2016	0				Target Jan - Dec					Target Jan - Dec	2010							
Yes				ed en creme processor a su servicio como que	9(Target Jan - Dec		0			-	Target Jan - Dec 2015	2				Target Jan - Dec 2015					Target Jan - Dec	200						50	
n/a	п/а					Milestone Jan - Dec 2014					Management 12.	Milestone Jan - Dec 2014					Milestone Jan - Dec 2014					Milestone Jan - Dec	e/u	5.4	n/a		=			
n/a	n/a	Source			3	Milestone Jan - Dec 2013			Source		Milostone Ion Occ	Milestorie Jan - Dec 2013	2	0	Source		Milestone Jan - Dec 2013	0	0	Source		Milestone Jan - Dec	n/a	6/0	11/4	Source		A CONTRACTOR OF THE PROPERTY O		
n/a				A series of the		Baseline Jan - Dec 2012				سميملوفهم بمهموط في فيلي الم	Racolino Ian Doc	2012	0			Trust Fund donor group.	Baseline Jan - Dec 2012	0	the second second second second second		PFM working group.	Baseline Jan - Dec 2012		And the second s						
Planned	Achieved				No. of the second		Planned	Achieved		MR analysis and rannomind			Planned	Achieved		WB reports to the PRDP Trust		Planned	Achieved		WB analysis report to the PFM		Planned	Achieved						
Follow up PEFA workshop held to prepare the PA to undertake another PEFA assessment in	3-5 years but under the WB experts advice, the	PA Should carry out a new PEFA at the nearest opportunity is 2018. The workshop will custing	the new methodology of PEFA framework with new indicators.	176.575				Audit and Administrative Control Bureau report	for the PA's annual accounts, with	recommendations to the PA to address priority issues.	Output Indicator 3.2		Number of World Bank reports per year	analysing PA budget execution by sector and	programme		Output Indicator 3.3	The PFM Expert will provide support, in the	form of technical assistant submissions to the	Mor to issue annual financial statements		Output Indicator 3.4	Produce reports on Gaza on donor support to	the reconstruction effort and on MoF PFM	aggregated updates on Public Administration in	Gaza (added for 2015/16)		DFIGUR 201,800		
35%				UTS (£)	UTS (HR)		A results	budget execution to		or must ruite.	•=				-				-	-		ACT WEIGHTING (%)	40%		<u></u>	<u>, </u>		JTS (£)	1TS (HR)	

Technical Assistance to Improve Palestinian Public Fi

OUTPUTS

OUTCOME

1	Anti-corruption controls in the OPTs strengthened	#REF!	
2	PFM reform delivered through support to the Ministry of Finance	35%	PA strengthens
3	Effective monitoring of PA results and budget execution to safeguard the value for money of	40%	capacity to be able to deliver PFM reforms
4	#REF!	#REF!	
5	#REF!	#REF!	

nancial Management

IMPACT



Peaceful and prosperous Palestinian state and society

Technical Assistance to Improve Palestinian Public Financial Management

Re	esults Chain		Indicators	Baseline	Target	Source
			Governr ent effectiveness index -	Jan - Dec	Jan - 50 to 55	
IMPACT	Peaceful and prosperous Pa state and society	lestinian	Mc ² lack of oversight, commitn ent os likely this is going down not up	40.7	(score of Jordan)	World Bank indicator (http://info.worldbank.org/governance/wgi/sc_ chart.asp)
	state and society		Conti at of corruption index	48.3	55 to 58 (score of Jordan)	World Bank indicator {http://info.worldbank.org/governance/wgi/sc_ chart.asp}
			Publi∷ access to key fiscal informa* on - indicators PI-10 of PEFA 2013.	C (2006)	A	World Bank scoring. (If the Public Expenditure and Financial Accountability Assessement is completed, this will be used.)
OUTCOME	PA strengthens capacity to be deliver PFM reforms		Stock an I monitoring of payment arrears indicator PI-4 of PEFA 2013.	D+ (2006)	С	World Bank scoring. (If the Public Expenditure and Financial Accountability Assessement is completed, this will be used.)
			Percentage of donors who provide unearmarked financial assistance to the PA (annual reportin), January - December)	0.41	0.41	DFID correspondence with the Ministry of Finance.
			PA's un lerstanding of the need and options for reform to provide Public A coess to Information, as evide ceed by action taken.	No action taken	Start first TA mission on citizen budget in second half of	WB quarterly reports submitted to DFID. Triangulated by DFID annual reviews.
	Anti-corruption controls in the OPTs strengthened	#REF!	Satis action to the Ma with Expert's ability to offer technical solutions and to support implementation of policy	No experience	Satisfied.	DFID interviews with PA staff on an annual basis, choosing between: Very satisfied, Satisfied, Unsatisfied, Very unsatisfied.
			#REF!	#REFI	#REF!	#REF!
			#REF!	#REF!	#REF!	#REF!
			Whether or not a PEFA assessment has been completed that con piles with international best practice. Extent t lat an Action Plan has	No	n/a (coomplet ed 2013) 65% of	Publication of PEFA on official website.
			been drafted and implemented that addresses some of the main weaknesses raised by the PEFA assessment.	No Action Plan	Action Plan complete d	PFM working group reports. Secretariat is shared by IMF/WB.
	PFM reform delivered through support to the Ministry of Finance and coordination of	35%	Number of areas where the PA has improved the level of detail of its morethly and quarterly fiscal reporting.	0	5	World Bank PRDP Trust Fund quarterly report.
OUTPUTS	donors		Follow us PEFA workshop held to prepar the PA to undertake another PEFA assessment in 2016. I tote: new PEFA's are carried to trevery 3-5 years but under the WB experts advice, the PA shoul I carry out a new PEFA at the rearest opportunity i.e. 2016). The workshop will outline the new methodology of PEFA framew it with new indicators.	n/a	Yes	ō
:			Numb r of reports per year analysi g the State Audit and Adminit: rative Control Bureau repor on the PA's annual accounts with recommendations to the PA to address priority issues.	0	1	WB analysis and recommendations report to the PA.
	Effective monitoring of PA results and budget execution to safeguard the value for money of donor funds being	40%	Number of World Bank reports per yea: analysing PA budget exec ition by sector and programme The Pf VI Expert will provide	0	2	WB reports to the PRDP Trust Fund donor group.
	provided to the PRDP Trust Fund.		support, in the form of technical assistant aubmissions to the MoF to issue annual financial statements Produce reports on Gaza on	0	2	WB analysis report to the PFM working group.
			do or support to the reconstruition effort and on MoF PFM a: gregated updates on Public / dministration in Gaza (ac ded for 2015/16)	n/a	1	0
			#REF! #REF!	#REF!	#REF!	#REF!
	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
			#REF!	#REF!	#REF!	#REF!
	#REF!	#REF!	#REF!	#REF! #REF!	#REF! #REF!	#REF!
			#REF! #REF!	#REF! #REF!	#REF! #REF!	#REF! #REF!

Technical Assistance to Improve Palestinian Public Financial Management

	Results Chain		Indicators	Planned	Achieved 2013	Score 2013		Risk 2013
IMPACT	Peaceful and prosperous Pale state and society	estinian	Government effectiveness index - MoF lack of oversight, commitment os likely this is going down not up	40.7	0			
			Control of corruption index	48.3	0			
	·		Public access to key fiscal information - indicators PI-10 of PEFA 2013.	С	В			
OUTCOM E	PA strengthens capacity to be deliver PFM reforms	able to	Stock and monitoring of payment arrears - indcator PI-4 of PEFA 2013.	D+	D	n/a	0%	
			Percentage of donors who provide unearmarked financial assistance to the PA (annual reporting, January - December)	0	0			
			PA's understanding of the need and options for reform to provide Public Access to Information, as evidenced by action taken. Satistaction of the PA with	No action taken	Awareness raised			
	Anti-corruption controls in the OPTs strengthened	#REF!	Expert's ability to offer technical solutions and to support implementation of policy decisions	Satisfied	Satisfied	n/a	0%	
			#REF!	#REF!	#REF!			
			#REF!	#REF!	#REF!			
			Whether or not a PEFA assessment has been completed that complies with international best practice.	Yes	Yes			
			Extent that an Action Plan has been drafted and implemented that addresses some of the main weaknesses raised by the PEFA assessment. Number of areas where the PA	Action Plan drafted with 0% completion.	Action Plan drafted with 25% completion.			
	PFM reform delivered through support to the Ministry of Finance and coordination of	35%	has improved the level of detail of its monthly and quarterly fiscal reporting.	1	3	n/a	0%	
OUTPUTS	donors		Follow up PEFA workshop held to prepare the PA to undertake another PEFA assessment in 2016. (note: new PEFA's are carried out every 3-5 years but under the WB experts advice, the PA should carry out a new PEFA at the nearest opportunity i.e 2016). The workshop will outline the new methodology of PEFA framework with new indicators.	n/a	n/a			
			Number of reports per year analysing the State Audit and Administrative Control Bureau report on the PA's annual accounts, with recommendations to the PA to address priority issues.	1	1			
	Effective monitoring of PA results and budget execution to safeguard the value for money of donor funds being provided	40%	Number of World Bank reports per year analysing PA budget execution by sector and programme The PFM Expert will provide	2	0	n/a	0%	
	to the PRDP Trust Fund.		support, in the form of technical assistant submissions to the MoF to issue annual financial statements	0	0			

			Produce reports on Gaza on donor support to the reconstruction effort and on MoF PFM aggregated updates on Public Administration in Gaza (added for 2015/16)	n/a	n/a		
	#REF!	#REF!	#REF! #REF! #REF! #REF!	#REF! #REF! #REF! #REF!	#REF! #REF! #REF! #REF!	n/a	0%
	#REF!	#REF!	#REF!	#REF!	#REF! #REF!	n/a	0%
			#REF! #REF!	#REF! #REF!	#REF!	1110	070
OVERALL OUTPUT SCORE						#REF!	#REF