

**CONFORMED COPY**

July 8, 2010

Ms Beverley Warmington  
Director, Asia Division  
Department for International Development  
Room 8S26, 1 Palace Street,  
London, SW1E 5HE  
United Kingdom

**Amendment to the Memorandum of Understanding (MOU) between the Government of 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 Multi-Donor Trust Fund for the South Asia Water Initiative (TF No. 071159), as amended**

Dear Ms. Warmington:

We refer to the Memorandum of Understanding (“MOU”) between the Government of the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development (DFID) (the “Donor”) and the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”), regarding the Multi-Donor Trust Fund for the South Asia Water Initiative (the “Trust Fund”) dated November 26, 2008, as amended.

We also refer to the discussion held between DFID representatives and our staff regarding including a small grants program to support knowledge generation and dissemination activities on the Rivers of the Greater Himalayas among the activities to be financed under the Trust Fund. Accordingly, we would like to propose to amend the Memorandum of Understanding as set forth below:

1. Paragraph A under “Categories of Expenditures” in Annex 1 to the MOU is amended to read as follows:

“A. For Recipient-executed components, the Contributions to the Trust Fund will be used to fund one hundred percent (100% - i.e. including taxes) of the following categories of expenditures:

- a. Consultants' Services;
- b. Goods;
- c. Non-Consultancy Services;
- d. Works;
- e. Sub-grants;
- f. Administrative Fees not exceeding 7% of program funds;
- g. Media and Workshop Costs;
- h. Travel Expenses (including per diems); and
- i. Recurrent Costs (including staff salaries).

For purposes of this paragraph, the term "Administrative Fee" means the lump sum fee charged by the administrator of the small grants program for administrative and operational costs incurred for implementation of the small grants program, including financial reporting costs, audit costs and office space but excluding salaries or salary supplements of the administrator's staff."

All the terms and conditions of the Memorandum of Understanding that have not been amended hereby will remain unchanged and in full force and effect.

Upon receipt by the Bank of the copy of this Amendment to the Memoranda of Understanding duly countersigned by all donors contributing to the Trust Fund, this Amendment will become effective as of the last date of countersignature by those donors.

Sincerely,

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By/s/ Isabel M. Guerrero

Vice President  
South Asia Region

**APPROVED:**

**DEPARTMENT FOR INTERNATIONAL DEVELOPMENT**

By/s/ Beverley Warmington

Date: 12/7/10

Title: Director, Asia Division