

Amendment No. 2 to the Amended and Restated Administration Agreement between the Bill & Melinda Gates Foundation and the International Bank for Reconstruction and Development and the International Development Association regarding the Foundational Learning Compact (FLC) Umbrella Multi-donor Trust Fund (No. 072554)

1. Reference is made to the Amended and Restated Administration Agreement between the Bill & Melinda Gates Foundation (the “Donor”) and the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”, and together with the Donor, the “Parties” and each a “Party”) regarding the Foundational Learning Compact (FLC) Umbrella Multi-Donor Trust Fund No. 072554 (the “Trust Fund”) effective as of August 24, 2020, as amended (the “Administration Agreement”).

2. The Parties agree to amend the Administration Agreement as follows:

(a) Paragraph 2.3 shall be added to Annex 1 to read as follows:

“2.3 Eligible Transferee (as defined in Annex 2) activities, for which the respective Eligible Transferee has management and implementation responsibilities as follows:

(i) Design and implement communications and advocacy campaign in support of 5 selected governments (either national or sub-national) that: demonstrate strong political and financial commitment to reducing learning poverty, are willing to measure and monitor learning outcomes; and are implementing an evidence-based plan to achieve significant improvements in foundational literacy and foundational skills (“Accelerator Countries”);

(ii) Enhancing development partner alignment and mutual accountability in the Accelerator Countries in the pursuit and achievement of improved foundational literacy and foundational skills, through local education group self-assessment and joint sector reviews; and

(iii) Providing analytic and advisory support on evidence-based interventions to improve foundational literacy and foundational skills.”

(b) Paragraph 3.1 of Annex 1 shall be deleted and replaced with the following:

“3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

- (a) staff costs (excluding short term consultants and temporaries);
- (b) short-term consultants and temporaries;
- (c) contractual services;
- (d) equipment and office premises lease cost;
- (e) equipment purchased;
- (f) media, workshops, conferences and meetings; and
- (g) travel expenses”.

(c) Paragraph 3.2 of Annex 1 shall be deleted and replaced with the following:

“3.2 For purposes of this paragraph 3, (i) "staff costs (excluding short term consultants and temporaries)" includes salaries, benefits and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; and (ii) "short term consultants and temporaries" includes fees and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures.”

(d) Paragraph 3.5 shall be added to Annex 1 to read as follows:

“3.5 For Eligible Transferee activities, the eligible expenditures applicable to Transferred Funds (as defined below) to an Eligible Transferee will follow such Eligible Transferee’s applicable policies and procedures.”

(e) Paragraph 1.2 of Annex 2 shall be deleted and replaced with the following:

“1.2 Except for the Trust Fund funds transferred to the Eligible Transferees (as defined in section 10 below, each Donor’s Contribution (collectively, the “Contributions”) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, 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 Donors acknowledge 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 a Donor.”

(f) Paragraph 4.1 of Annex 2 shall be deleted and replaced with the following:

“4.1. The Bank shall provide the Donors with annual written progress reports by December 31 including any reports received from Eligible Transferees (as defined in section 10 below). The progress reports shall be provided with reference to Results Framework. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall provide the Donors with a final narrative progress report for the Trust Fund.”

(g) Paragraph 9.3 shall be added to Annex 2 to read as follows:

“9.3. The Bank shall deduct from the Trust Fund and retain for its own account a fee equal to 1% of the amount transferred to an Eligible Transferee (as defined below) under a Transfer Agreement (as defined below). Such transfer shall occur when the Bank transfers funds from the Trust Fund to an Eligible Transferee upon submission of a payment request to the Bank. Transferred amounts may not exceed the balance of uncommitted funds in the Trust Fund net of related fees.”

(h) Paragraph 10 shall be added to Annex 2 to read as follows:

“**10. Transfers to Eligible Transferees**

10.1. The Bank shall enter into a transfer agreement (a “Transfer Agreement”) with an Eligible Transferee (as defined below) to set forth the terms and conditions of transfer and use of any Trust Fund funds transferred (“Transferred Funds”) to such Eligible Transferee. The following entities are eligible to become transferees of Transferred Funds (each an “Eligible Transferee”): United Nations Children’s Fund (“UNICEF”).

10.2 Following the transfer of Transferred Funds by the Bank to an Eligible Transferee, the Eligible Transferee is responsible for the use of such funds and the activities carried out therewith in accordance with its policies and procedures, and the Bank has no further responsibility with respect to such funds.

- (a) Each Eligible Transferee will be responsible for:
 - (i) the use of the Trust Fund resources transferred to it and activities carried out therewith in accordance with: (A) its policies and procedures; and (B) the applicable terms of the approved funding requests submitted by the Eligible Transferee to the Partnership Council (as described in Annex 3);
 - (ii) preparing financial and progress reports with respect to Transferred Funds and providing such reports to the Partnership Council; and
 - (iii) taking reasonable measures, in accordance with its policies and procedures, to ensure that the funds provided to the Eligible Transferee by the Bank are used for intended purposes, including using its screening procedures to prevent the use of Trust Fund funds to finance terrorist activity, in line with United Nations member countries' obligation to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations.
- (b) Each Eligible Transferee acknowledges and agrees that:
 - (i) if the Partnership Council reasonably determines through its decision by consensus and after consultation with the Eligible Transferee, that the Eligible Transferee has failed to comply with its obligations under the Transfer Agreement to a material extent, the Eligible Transferee and the Partnership Council shall agree on timely and appropriate measures to be taken to resolve this matter. If the Partnership Council and the Eligible Transferee fail to agree on the measures to be taken or the Eligible Transferee fails to take relevant measures as may be agreed between the Partnership Council and the Eligible Transferee, the Partnership Council may instruct the Bank, upon thirty (30) days prior written notice, to suspend cash transfer of Trust Fund funds to such the Eligible Transferee, until such time as the measures have been taken; and
 - (ii) any Donor may review or evaluate activities financed by the Trust Fund resources transferred to the Eligible Transferee at any time up to closure of the Eligible Transferee's relevant account(s); provided that: (A) the Donor shall have agreed with the Eligible Transferee on the scope, and conduct of such review or evaluation; (B) unless otherwise agreed by the Eligible Transferee, the Eligible Transferee has received confirmation from the relevant Donor that all associated costs, including any costs incurred by the Eligible Transferee, will be borne by the Donor; and (C) the Eligible Transferee shall provide all relevant information within the limits of the Eligible Transferee's applicable policies and procedures. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Eligible Transferee's relevant account(s).

10.3. The Donors acknowledge and agree that the Bank has no responsibility under the Administration Agreement or otherwise for the use of Transferred Funds and activities carried out therewith, including for: (a) implementing, monitoring, supervising, evaluating, or providing quality assurance for activities financed by the Transferred Funds; (b) preparing financial, progress, and final reports for activities financed by Transferred Funds; (c) any misuse or misprocurement with respect to the Transferred Funds; or (d) pursuing any Donor interests or Eligible Transferee undertakings with respect to Transferred Funds.”

(i) Paragraph 1(b) of Annex 3 shall be deleted and replaced with the following:

“(b) review progress reports provided by the Bank on the results framework for the Trust Fund and any Associated Trust Funds, and reports received from Eligible Transferees.”

(j) Paragraph 5 of Annex 3 shall be deleted and replaced with the following:

“5. The Donors contributing to the Trust Fund and the Bank will endorse annual work plans and budgets for the Trust Fund presented by the Bank during the Partnership Council meetings, and review and approve funding requests submitted by Eligible Transferees. Decisions will be made by consensus of the Bank and the Donors contributing to the Trust Fund.”

(k) Paragraph 6 shall be added to Annex 3 to read as follows:

“6. The Bank representatives will not participate in the decision-making relating to funding requests submitted by Eligible Transferees nor review progress and financial reports provided by Eligible Transferees.”

3. All other terms of the Administration Agreement shall remain the same.

4. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Amendment and act in accordance with these terms and conditions. The Parties are requested to sign and date this Amendment, and upon possession by the Bank of this fully signed Amendment and respective amendments signed by all other donors to the Trust Fund, this Amendment shall become effective as of the date of the last signature.

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

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THE BILL & MELINDA GATES FOUNDATION

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