

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**OFFICIAL
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Cable Address: INTBAFRAD
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Ms. Emilia Saiz
 Director of Statutory Issues and Institutional Relations
 United Cities and Local Governments
 Carrer Avinyó 15
 08002 – Barcelona
 Spain

***Re: PPIAF TF Grant No. TF011027 and Cities Alliance TF Grant No. TF011033
 The Governance of Basic Local Public Services – 3rd Global Report on
 Decentralization and Local Democracy (GOLD III)
 First Amendment to the Grant Letter Agreement***

Dear Ms. Saiz:

1. We refer to the Grant Agreement between the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) (collectively, the “Bank” or the “World Bank”), acting as administrator of grant funds provided by the donors under the Public Private Infrastructure Advisory Facility (“PPIAF”) (TF053980) and the Cities Alliance (“CA”) (TF054674), and United Cities and Local Governments (“UCLG” or the “Recipient”), dated November 23, 2011 by which the Bank extended a grant in the amount of two hundred fifty thousand United States Dollars (US\$250,000) (the “Grant”) to the Recipient (the “Agreement”).

2. We also refer to your letter dated January 24, 2013 requesting: (i) an extension of the Closing Date of the Grant from April 30, 2013 to December 31, 2013; (ii) an increase in the Grant amount by ten thousand United States Dollars (US\$10,000); and (iii) a reallocation of funds in the disbursement table for the Grant.

3. We are happy to inform you that the Bank has considered your requests and has agreed to amend the Agreement as follows:

(A) The first paragraph of the Agreement will read as follows:

“In response to the request for financial assistance made on behalf of United Cities and Local Governments (“UCLG” or the “Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development

(IBRD) and the International Development Association (IDA) (collectively, the “Bank” or the “World Bank”), acting as administrator of grant funds provided by the donors (“Donors”) under the Public Private Infrastructure Advisory Facility (“PPIAF”) (TF053980) and the Cities Alliance (“CA”) (TF054674), proposes to extend to the Recipient, a grant in an amount not to exceed two hundred sixty thousand United States Dollars (US\$260,000) (“Grant”) on terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).”

- (B) Section 3.02 under Article III of the Annex to the Agreement will read as follows:

“Withdrawal Conditions. Withdrawal of the proceeds of the grant will be made according to the following schedule:

Following countersignature of the Grant letter, US\$ 75,000 from the PPIAF TF011027 and US\$ 25,000 from the Cities Alliance TF011033.

During the 3rd quarter of 2012 and following receipt by PPIAF and Cities Alliance, in form and substance satisfactory to PPIAF and Cities Alliance, of: (i) validated methodology, survey questionnaires and draft inception reports on governance and access to basic services in the various regions, which will constitute the basis for the regional synthesis, produced to that date, (ii) complete minutes of the regional dialogues conducted to that date, and (iii) minutes of the 1st meeting of the Steering Committee, US\$ 105,000 from the PPIAF TF011027 and US\$ 25,000 from the Cities Alliances TF 011033.

During the 2nd quarter of 2013 and following receipt by PPIAF, in form and substance satisfactory to PPIAF, of: (i) draft regional synthesis prepared to that date; (ii) minutes of additional regional dialogues conducted; and (iii) minutes of the 2nd meeting of the Steering Committee, US\$ 30,000 from the PPIAF TF011027.”

- (C) Section 3.04 under Article III of the Annex to the Agreement will read as follows:

“Withdrawal Period. The Closing date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2013.”

- (D) To reflect the new amounts allocated to the existing categories adding to the new Grant total (including the increase of the Grant amount) and the proposed reallocation of funds, the table in section 3.01 under Article III of the Annex to the Grant Agreement is hereby amended to read as follows:

Category	Amount of the PPIAF Grant Allocated in United States Dollars	Amount of the CA Grant Allocated in United States Dollars	Percentage of Expenditures to be Financed (exclusive of Taxes)
(a) Consultants' Services	178,000		100%
(b) Regional Seminars	32,000	20,000	100%
(c) Operational Costs by UCLG		30,000	100%
Total Amount	210,000	50,000	

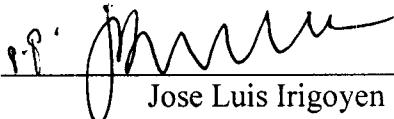
4. All other terms of the Agreement shall remain the same.

5. The Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Agreement and related information on this Trust Fund.

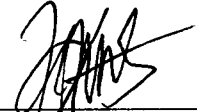
6. Please confirm your agreement to the foregoing, on behalf of the Recipient, by signing, dating and returning to us the enclosed copy of this Amendment. Upon Receipt by the Bank of the copy of this Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.

Sincerely,

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

acting for


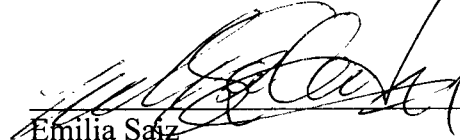
 Jose Luis Irigoyen
 Director
 Transport, Water, Information and
 Communication Technologies
 Sustainable Development Network



 Zoubida Allaoua
 Director
 Urban and Disaster Risk Management
 Department
 Sustainable Development Network

CONFIRMED AND AGREED:

UNITED CITIES AND LOCAL GOVERNMENTS

By: 

 Emilia Saiz
 Director of Statutory Issues and Institutional Relations

Date: 30.04.2013