Supplemental Arrangement between the Kingdom of Denmark, represented by the Embassy of Denmark, Yangon, Danish Ministry of Foreign Affairs, and the Participating World Bank Group (WBG) Organizations regarding the Myanmar Partnership Multi-Donor Trust Fund

(Trust Fund No. TF072561 parallel to original Trust Fund No. (No.TF072229))

1. Reference is made to the Administration Arrangement between the Kingdom of Denmark, represented by the Embassy of Denmark, Yangon, Danish Ministry of Foreign Affairs (the “Donor”) and the International Bank for Reconstruction and Development (“IBRD”), the International Development Association (“IDA”) (IBRD and IDA collectively referred to as the “Bank”) and the International Finance Corporation (“IFC”) (the Bank and IFC collectively referred to as the “Participating WBG Organizations”) (collectively, the “Participating WBG Organizations” together with the Donor, the “Parties” and each a “Party”), regarding the Myanmar Partnership Multi-Donor Trust Fund No.TF072229 effective as of December 5, 2014, as may have been amended (the “Administration Arrangement”).

2. In connection with the Administration Arrangement, and in support of the Myanmar Partnership Multi-Donor Trust Fund, the Participating WBG Organizations acknowledge that the Donor agrees to provide a contribution in the amount of one hundred million Danish Kroner (DKK100,000,000) (the “Contribution”) in accordance with the terms of this Supplemental Arrangement (the “Supplemental Arrangement”).

3. In order to apply the Bank’s new cost recovery provisions, the Bank has established a new parallel trust fund account (Trust Fund No.TF072561) (the “Parallel Account”) for purposes of receiving contributions for the Myanmar Partnership Multi-Donor Trust Fund, which will be administered in parallel with the original trust fund account (Trust Fund No.TF072229) (the “Original Account”), both of which accounts constitute the Myanmar Partnership Multi-Donor Trust Fund.

4. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 2 above into such bank account designated by the Bank (each amount deposited referred to as an “Installment”) upon submission of a payment request by the Bank:

<table>
<thead>
<tr>
<th>Installment</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Promptly following countersignature:</td>
<td>DKK 5,500,000</td>
<td></td>
</tr>
<tr>
<td>(B) By January 31, 2018:</td>
<td>DKK 31,500,000</td>
<td></td>
</tr>
<tr>
<td>(C) By January 31, 2019:</td>
<td>DKK 31,500,000</td>
<td></td>
</tr>
<tr>
<td>(D) By January 31, 2020:</td>
<td>DKK 31,500,000</td>
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</tbody>
</table>

5. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund. If the Bank determines, on the basis of the speed of the implementation of the activities and availability of funds in the Trust Fund, that it is necessary to either bring Installments forward or delay them, the Bank and the Donor will discuss and agree to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

6. When making a deposit, the Donor will instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for Trust Fund No.TF072561 (the Myanmar Partnership Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor will provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.
7. The Parallel Account, including with respect to the Contribution funds and any other funds contributed thereto, will be governed by the terms of the Administration Arrangement, except that the revisions specified in the Schedule attached to this Supplemental Arrangement will apply.

8. For clarity, (a) subject to Section 7 above, all other terms of the Administration Arrangement, as such terms may be amended from time to time, will apply to the funds in the Parallel Account; and (b) all funds in the Original Account will be governed by the terms of the Administration Arrangement, as such terms may be amended from time to time, without regard to this Supplemental Arrangement.

9. At the date of Bank’s signature of this Supplemental Arrangement, the Indirect Rate applicable to the Bank (as defined in the Schedule to this Supplemental Arrangement) is 17%.

10. The Participating WBG Organizations will disclose this Supplemental Arrangement in accordance with their policies on access to information. By entering into this Supplemental Arrangement, the Donor consents to such disclosure.

11. It is understood that this Administration Arrangement, including any annexes, is not an international treaty. It is an administrative arrangement between the Participating WBG Organizations and the Donor.

12. Each of the undersigned represents, by confirming its acceptance below, that it is authorized to enter into this Supplemental Arrangement and act in accordance with its provisions. The Donor and the Participating WBG Organizations are each requested to sign and date this Supplemental Arrangement, and upon possession by the Participating WBG Organizations of this fully signed Supplemental Arrangement, this Supplemental Arrangement will become into effect as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 
Name: Manush A. Hristov
Title: Acting Country Director, South East Asia

INTERNATIONAL FINANCE CORPORATION

By: 
Name: Vikram Kumar
Title: Country Manager

KINGDOM OF DENMARK
REPRESENTED BY THE EMBASSY OF DENMARK, YANGON, DANISH MINISTRY OF FOREIGN AFFAIRS

By: 
Name: Peter Lysholt Hansen
Title: Ambassador

Date: Nr. 28. 7. 2017
Revisions to the Administration Arrangement for Purposes of the Parallel Account Only

(A) Section 3 (Trust Fund Fees and Costs) of Annex 2 of the Administration Arrangement is hereby eliminated.

(B) Section 4.1 of Annex 1 of the Administration Arrangement is hereby substituted with the following terms:

"4.1 The following eligible expenditure categories may be used to finance Participating WBG Organizations-executed activities:

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

For purposes of the above expenditure categories: (i) “staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)” includes salaries, benefits (excluding IFC field benefits) and indirect rates charged to the Trust Fund as applicable under the Participating WBG Organizations’ policies and procedures; (ii) “extended term consultants and temporaries” includes fees, benefits (excluding IFC field benefits) and indirect rates charged to the Trust Fund as applicable under the Participating WBG Organizations’ policies and procedures; and (iii) “short term consultants and temporaries” includes fees and indirect rates charged to the Trust Fund as applicable under the Participating WBG Organizations’ policies and procedures.

The indirect rate applicable to the Bank under expenditure categories (a), (b) and (c) above, is defined as a percentage of personnel costs and available at the World Bank’s Donor center secure website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures."

(C) The following activities description is added to Annex 1 of the Administration Arrangement:

“6. The following activities may also be financed as Bank-executed activities by the Trust Fund:

Program management and administration activities for the Trust Fund, including but not limited to, supporting any program governance arrangements and Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.”
The following Section is added to Annex 2 of the Administration Arrangement:

"9. Trust Fund Fee

The Bank shall calculate a fee each time funds (the "Grant Amount") from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the "Calculation Date"). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the "Cumulative Grant Total"). The calculated fee shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:

(i) 5% of any portion of the Grant Amount that results in a Cumulative Grant Total below or equal to US$50 million or equivalent; plus
(ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$50 million or equivalent and below or equal to US$ 500 million or equivalent; plus
(iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$500 million or equivalent and below or equal to US$ 1 billion or equivalent; plus
(iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$1 billion or equivalent.

Following each Calculation Date, the Bank shall deduct from the trust fund account, TF No. TF072561, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in such account net of the related fee."