Second Amendment to the Administration Agreement between the Government of the Swiss Confederation and the International Bank for Reconstruction and Development and the International Development Association concerning the Single-Donor Trust Fund for Financial Sector Development Project in the Kyrgyz Republic (TF072067)

1. Reference is made to the Administration Agreement between the Government of the Swiss Confederation, acting through its State Secretariat for Economic Affairs (SECO) (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 Single-Donor Trust Fund for Financial Sector Development Project in Kyrgyz Republic (“Trust Fund”), effective as of August 8, 2013 (the “Administration Agreement”).

2. The Bank acknowledges the Donor agreement to convert the above-mentioned Trust Fund from a Bank-executed to a hybrid Bank-executed and Recipient executed Trust Fund. Consequently the Parties agree to the following amendments to the Administration Agreement.

3. Annex 1 (Kyrgyz Republic Financial Sector Development Project Trust Fund Description) to the Administration Agreement is amended as follows:

A. Section 2.1 is amended by adding a new paragraph “h” to read as follows:

“(h) Supervision: Supervision of the Recipient’s Activities including the carrying out of the audit of the Agency for Bank Reorganization and Debt Restructuring (DEBRA) to determine its future.”

B. A new section 2.2 is added to read as follows:

“2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility include carrying out an audit and diagnostic assessment of DEBRA with a view to recommending to the Recipient an appropriate decision/action on the future of DEBRA.”

C. Section 3.1 is amended as follows:

(a) “d” is amended to read as follows: “(d) Extended term consultants with indirect costs”;

(b) “e” is deleted in its entirety and the former (f), (g) and (h) are now renumbered as (e), (f) and (g);

(c) the new (f) is amended to read as follows: “(f) Staff costs with indirect costs (excluding Temporary support staff costs).”

D. A new Section 3.2 is added and reads as follows:

“3.2. For Recipient executed activities, the Trust Fund may be used to finance eligible expenditures in accordance with the Bank’s applicable policies and procedures.”
4. Annex 2 (Standard Provisions) to the Administration Agreement is amended as follows:

A new paragraph 8 is added to read as follows:

"8. Grants to Recipients"

8.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the "Grant Agreements") with recipients (the "Recipients") consistent with the purposes of this Administration Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the Bank and the Donors.

8.2 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

8.3 The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.

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

6. The Bank shall disclose this Amendment in accordance with the Bank’s Policy on Access to Information. By entering into this Amendment, the Donor consents to such disclosure.
7. 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, this Amendment shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By:  
Name: Jean-Michel Happi
Title: Country Manager
Date: December 10, 2015

SWISS STATE SECRETARIAT FOR ECONOMIC AFFAIRS

By:  
Name: Lub Germany
Title: Head of Operations
Date: 23.12.2015