Supplemental Agreement between the Kingdom of Denmark, through its Ministry of Foreign Affairs, and the International Development Association regarding the Somalia Multi-Partner Fund (Trust Fund No. TF072600 parallel to original Trust Fund No. TF072283)

1. Reference is made to the Administration Agreement between the Kingdom of Denmark, through its Ministry of Foreign Affairs (the “Donor”) and the International Development Association (the “Bank”, and together with the Donor, the “Parties” and each a “Party”), regarding the Somalia Multi-Partner Fund Multi-Donor Trust Fund (Trust Fund No. TF072283) effective as of October 2, 2015 (the “Administration Agreement”).

2. In connection with the Administration Agreement, and in support of the Somalia Multi-Partner Fund (“MPF”) Trust Fund, the Bank acknowledges that the Donor agrees to provide a contribution in the amount of six million four hundred fifty thousand Danish Kroner (DKK6,450,000) (the “Contribution”) in accordance with the terms of this Supplemental Agreement (the “Supplemental Agreement”).

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. TF072600) (the “Parallel Account”) for purposes of receiving contributions for the Somalia Multi-Partner Fund, which will be administered in parallel with the original trust fund account (Trust Fund No. TF072283) (the “Original Account”), both of which accounts constitute the Somalia Multi-Partner Fund.

4. The Donor shall deposit the Contribution promptly following countersignature in the full amount and currency (“Contribution Currency”) specified in Section 1 above into such bank account designated by the Bank upon submission of a payment request by the Bank.

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 shall 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 Somalia Multi-Partner Fund (Trust Fund No. TF072600) (the Somalia Multi-Partner Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall 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, shall be governed by the terms of the Administration Agreement, except that the revisions specified in the Schedule attached to this Supplemental Agreement shall apply.

8. For clarity, (a) subject to paragraph 7 above, all other terms of the Administration Agreement, as such terms may be amended from time to time, shall apply to the funds in the Parallel Account; and (b) all funds in the Original Account shall be governed by the terms of the Administration Agreement, as such terms may be amended from time to time, without regard to this Supplemental Agreement.
9. At the date of Bank’s signature of this Supplemental Agreement, the Indirect Rate (as defined in the Schedule to this Supplemental Agreement) is 17%.

10. The Bank shall disclose this Supplemental Agreement in accordance with the Bank’s Policy on Access to Information. By entering into this Supplemental Agreement, the Donor consents to such disclosure.

11. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Supplemental Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Supplemental Agreement, and upon possession by the Bank of this fully signed Supplemental Agreement, this Supplemental Agreement shall become effective as of the date of the last signature.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ____________________________ Date: 28 August 2018
Name: Bella Bird
Title: Country Director

KINGDOM OF DENMARK, THROUGH ITS MINISTRY OF FOREIGN AFFAIRS

By:  
Name: NIRU BIRD
Title:  
Date: 03.10.2018
Revisions to the Administration Agreement for Purposes of the Parallel Account Only

(A) Section 3 (3.1, 3.2 and 3.3) (Trust Fund Fees and Costs) of Annex 2 of the Administration Agreement is hereby eliminated.

(B) Section 3.1 of Annex 1 of the Administration Agreement is hereby substituted with the following terms:

"3.1. The following eligible expenditures categories may be used to finance Bank-executed activities:

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

Any Equipment Purchased under (c) above shall be transferred to government authorities upon closure of the Trust Fund or earlier when no longer required to support Trust Fund operations, management or administration; provided such transfer is at no cost to the Bank and is on an "as-is, where-is" basis without any warranty or guarantee form the Bank. If such disposal method is not feasible, the Bank shall seek another means of disposal in conformity with Bank policies and procedures, including potentially donation to organizations that have a charitable or non-profit status.

"3.2. "For purposes of this section: (i) “staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)” includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; (ii) “extended term consultants and temporaries” includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) “short term consultants and temporaries” includes fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures."

"3.3 The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the Development Partner 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."

"3.4 For Recipient-executed activities, the Trust Fund funds may be used to finance eligible expenditures in accordance with the Bank’s applicable policies and procedures.

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

"2.1(f) 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.

(D) The following section is added to Annex 2 of the Administration Agreement:

"9 Trust Fund Fee

9.1 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.

9.2 Following each Calculation Date, the Bank shall deduct from the trust fund account, Trust Fund No. TF072600, 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."