Mr. Stanley Canton  
Supervisory Agreement Officer  
USAID/Bangladesh  
US Embassy in Dhaka  
Madani Avenue, Baridhara  
Dhaka

Dear Mr. Canton:

**Supplemental Agreement between the United States Agency for International Development and the International Development Association Concerning the USAID Contribution to the Bangladesh Rural Electrification and Renewable Energy Development II Project Single-Donor Trust Fund No. TF071932; USAID Grant No. AID-388-10-12-00003**

(Trust Fund No. TF072675 parallel to original Trust Fund No. TF071932)

1. Reference is made to the Administration Agreement between the United States Agency for International Development (USAID) (the “Donor”) and the International Development Association (the “Bank” and together with the Donor, the “Parties” and each a “Party”), regarding the USAID Contribution to the Bangladesh Rural Electrification and Renewable Energy Development II Project Single-Donor Trust Fund No. TF071932 effective as of September 18, 2012, as amended (the “Administration Agreement”).

2. In connection with the Administration Agreement, and in support of the Bangladesh Rural Electrification and Renewable Energy Development II Project Single-Donor Trust Fund, the Bank acknowledges that the Donor agrees, subject to Legislative appropriations and funds availability, to provide a contribution in the amount of one million one hundred twenty-nine thousand, five hundred seventy-nine and 12/100 United States Dollars (US$1,129,579.12) (the “Contribution”) in accordance with the terms of this Supplemental Agreement (the “Supplemental Agreement”). The amount mentioned above was obligated through USAID Grant Modification No. 3 (US$479,591.12) and 4 (US$650,000).

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. TF072675) (the “Parallel Account”) for purposes of receiving contributions for the Bangladesh Rural Electrification and Renewable Energy Development II Project Single-Donor Trust Fund, which will be administered in parallel with the original trust fund account (Trust Fund No. 071932) (the “Original Account”), both of which accounts constitute the Bangladesh Rural Electrification and Renewable Energy Development II Project Single-Donor Trust Fund.

4. The Donor shall deposit the Contribution in the currency specified in Section 2 above into such bank account designated by the Bank promptly following countersignature of this Supplemental Agreement and submission of a payment request by the Bank.

5. 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 Trust Fund No. TF072675 (the USAID Contribution to the Bangladesh Rural Electrification and Renewable Energy Development II Project Single-Donor Trust 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.
6. 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.

7. For clarity, (a) subject to Section 6 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.

8. 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%.

9. 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.

10. It is understood that this Arrangement, including its Schedule, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the United Nations Charter. It is an administrative arrangement between the Bank and the Donor.

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: [Signature]
Name: RAJASTHREE PARALKAR
Title: ACTING COUNTRY DIRECTOR

By: [Signature]
Name: Stanley A. Canton
Title: Supervisory Contracting Officer

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
Revisions to the Administration Agreement for Purposes of the Parallel Account Only

(A) The following Section is added to the Program Description of Attachment 2 to the Administration Agreement:

"C. The following eligible expenditures categories may be used to finance Bank-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; and
(g) equipment and office premises lease cost.

1. 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 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.

2. The “Indirect Rate” means the indirect rate, 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.

(B) The following activities are added to the Program Description of Attachment 2 of the Administration Agreement:

"D. 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.”

(C) The following Section is added to the Schedule of Attachment 1 to the Administration Agreement:

"G. 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. TF072675, 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.”