Supplemental Agreement between the Government of Switzerland, acting through the State Secretariat for Economic Affairs and the International Bank for Reconstruction and Development and the International Development Association regarding the Multi-donor Trust Fund for Middle Income Countries for the Financial Sector Reform and Strengthening Initiative (Trust Fund No. TF072693, parallel to original Trust Fund No. TF070723)

1. Reference is made to the Restated and Amended Administration Agreement between the Government of Switzerland, acting through the State Secretariat for Economic Affairs (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 Multi-Donor Trust Fund for Middle Income Countries for the Financial Sector Reform and Strengthening Initiative Trust Fund No. TF070723 effective as of August 21, 2014, as may have been amended (the “Administration Agreement”).

2. In connection with the Administration Agreement, and in support of the Multi-Donor Trust Fund for Middle Income Countries for the Financial Sector Reform and Strengthening Initiative, the Bank acknowledges that the Donor agrees, subject to Legislative appropriations, to provide a contribution in the amount of one million seventy hundred fifty thousand Swiss Francs (CHF 1,750,000) (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. TF072693) (the “Parallel Account”) for purposes of receiving contributions for the Multi-Donor Trust Fund for Middle Income Countries for the Financial Sector Reform and Strengthening Initiative, which will be administered in parallel with the original trust fund account (Trust Fund No. TF070723) (the “Original Account”), both of which accounts constitute the Multi-Donor Trust Fund for Middle Income Countries for the Financial Sector Reform Strengthening Initiative.

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:

   (A) By December 31, 2016, eight hundred seventy thousand Swiss Francs (CHF 875,000); and
   (B) By December 31, 2017, eight hundred seventy five thousand Swiss Francs (CHF 875,000).

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 Trust Fund No. TF072693 (the Multi-Donor Trust Fund for Middle Income Countries for the Financial Sector Reform and Strengthening Initiative), 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. The Parties agree that the End Disbursement Date for purposes of the Parallel Account is December 31, 2019.

9. For clarity, (a) subject to Sections 7 and 8 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.

10. 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%.

11. 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.

12. 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 BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Gloria M. Grandolini
Senior Director
Finance and Markets Global Practice

Date: 9/27/16

GOVERNMENT OF SWITZERLAND, acting through its
STATE SECRETARIAT FOR ECONOMIC AFFAIRS

By: Ivo Germann
Head of Operations, Economic Cooperation and Development
State Secretariat for Economic Affairs

Date: 3/10/2016
Revisions to the Administration Agreement for Purposes of the Parallel Account Only

(A) Section 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) 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.

(i) 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 Rate charged to the Trust Fund as applicable under Bank policies and procedures; (ii) "extended term consultants and temporaries" includes fees, benefits and Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) "short term consultants and temporaries" includes fees and Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures.

(ii) 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.”

(C) The following activities description is added to Section 2.1 of Annex 1 of the Administration Agreement:

“(d) 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; reporting on progress; and monitoring and evaluating the program.”
The following Section is added to Annex 2 of the Administration Agreement:

"9. Trust Fund Fee

The Bank shall calculate a fee each time funds are transferred (the "Transfer Amount") under the Transfer Agreement. Such transfer shall occur when the Bank disburses any amount from the Trust Fund to the IMF (the "Calculation Date") upon submission by the IMF of a Transfer Request to the Bank. The fee so calculated by the Bank shall be based on the cumulative total of funds transferred under the Transfer Agreement on or prior to the Calculation Date (the "Cumulative Transfer Total"). The calculated fee shall depend on where the Cumulative Transfer Total stands as the Transfer Amount is added and shall be determined in accordance with the following schedule:

(i) 5% of any portion of the Transfer Amount that results in a Cumulative Transfer Total below or equal to US$ 50 million or equivalent; plus

(ii) 4% of any portion of the Transfer Amount that results in a Cumulative Transfer 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 Transfer Amount that results in a Cumulative Transfer 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 Transfer Amount that results in a Cumulative Transfer Total above US$ 1 billion or equivalent.

Following each Calculation Date, the Bank shall deduct from the trust fund account, TF No.TF072693, and retain for its own account, the fee as set forth above. Transfer Amounts may not exceed the balance of uncommitted funds in such account net of the related fee."