Supplemental Agreement between the Ministry of Finance of Japan and the International Bank for Reconstruction and Development and the International Development Association regarding the Second Phase of the Scaling Up of Nutrition Investments Single-Donor Trust Fund

(Trust Fund No. 072860 parallel to original Trust Fund No. 072449)

1. Reference is made to the Administration Agreement between the Ministry of Finance of Japan (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 Second Phase of the Scaling Up of Nutrition Investments Single-Donor Trust Fund (Trust Fund No. 072449) effective as of August 31, 2015 (the "Administration Agreement").

2. In connection with the Administration Agreement, and in support of the Second Phase of the Scaling Up of Nutrition Investments Single-Donor Trust Fund, the Bank acknowledges that the Donor agrees to provide a contribution in the amount of fifteen million three hundred thirteen thousand two hundred fifty United States dollars (USD 15,313,250) (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. 072860) (the "Parallel Account") for purposes of receiving contributions for the Second Phase of the Scaling Up of Nutrition Investments Single-Donor Trust Fund, which will be administered in parallel with the original trust fund account (Trust Fund No. TF072449) (the "Original Account"), both of which accounts constitute the Second Phase of the Scaling Up of Nutrition Investments Single-Donor Trust Fund.

4. The Donor hereby authorizes the Bank to transfer: (a) the amount of seven million three hundred thirteen thousand two hundred fifty United States dollars (USD 7,313,250) from the Trust Fund No. 072449 to the Trust Fund No. 072860, promptly following countersignature of this Supplemental Agreement; and (b) the amount of eight million United States dollars (USD 8,000,000) from the Policy and Human Resources Development Fund (PHRD) Multilateral Account (Trust Fund No. 050728) to the Trust Fund No. 072860 in accordance with the following schedule and in the currency specified in Section 1 above (the "Contribution Currency") (each amount deposited hereinafter referred to as an "Installment"):  
   (A) By September 30, 2017 - USD 5,000,000.  
   (B) By March 31, 2018 - USD 3,000,000.

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. 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. The Parties agree that the End Disbursement Date for purposes of the Parallel Account is October 31, 2021.
8. For clarity, (a) subject to paragraphs 6 and 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 BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Timothy Grant Evans
Senior Director
Health, Nutrition & Population Global Practice

MINISTRY OF FINANCE OF JAPAN

By: Kazuhiko Koguchi
Executive Director
The World Bank
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 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)
(b) short-term consultants and temporaries;
(c) contractual services;
(d) media, workshops, conferences and meetings;
(e) travel expenses; and
(f) equipment and office premises lease cost.

3.2 For purposes of the above expenditure categories: (i) “staff costs (excluding short term consultants and temporaries)” includes salaries, benefits and Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; and (ii) “short term consultants and temporaries” includes fees and Indirect Rate 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.”

(C) The following activities description is added under section 2 to Annex 1 of the Administration Agreement:

“IV. 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.”