Supplemental Arrangement between the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development and the International Development Association regarding the Somalia Multi-Partner Fund Multi-Donor Trust Fund

(Trust Fund No. TF072600 parallel to original Trust Fund No. 072283)

1. Reference is made to the Administration Agreement between the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development (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 (the “MPF”) Multi-Donor Trust Fund (Trust Fund No TF072600) effective as of September 10, 2014, as may have been amended (the “Administration Agreement”).

2. In connection with the Administration Agreement, and in support of the MPF Trust Fund, the Bank acknowledges that the Donor agrees to provide a contribution in the amount of twenty five million pound sterling (£25,000,000) (the “Contribution”) in accordance with the terms of this Supplemental Arrangement (the “Supplemental Arrangement”).

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 MPF Trust 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 MPF Trust Fund.

4. The Donor will deposit the Contribution in accordance with the following schedule and in the currency specified in paragraph 2 above into such bank account designated by the Bank (each amount deposited referred to as an “Instalment”) upon submission of a payment request by the Bank:

   (A) £ 5,000,000 by October 30, 2017
   (B) £ 5,000,000 by April 30, 2018
   (C) £5,000,000 by October 30, 2018
   (D) £ 5,000,000 by April 30, 2019
   (E) £ 5,000,000 by October 30, 2019

5. The Contribution is being provided in Instalments 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 Instalments forward or delay them, the Bank and the Donor will discuss and agree to revise the Instalment schedule, as confirmed by the Bank to the Donor in writing.

6. When making a deposit, the Donor will 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. TF072600 (the Somalia Multi-Partner Fund Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor will 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, will be governed by the terms of the Administration Arrangement, except that the revisions specified in the Schedule attached to this Supplemental Arrangement will apply.

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

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

11. 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. It is an administrative arrangement between the Bank and the Donor.

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature] Date: 25/10/17
Name: Bella Bird
Title: Country Director, Tanzania, Burundi, Malawi, Somalia

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, acting through the Department for International Development

By: [Signature] Date: 23/10/17
Name: Phil Evans
Title: Head of Office, DFID Somalia
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 from 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 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.”

"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."
The following section is added to Annex 2 of the Administration Agreement:

8 Trust Fund Fee

8.1 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.

8.2 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.”