Mr. Joachim von Amsberg  
Vice President  
Development Finance  
The World Bank Group

Transfer of Funds from the Japan Social Development Fund (TF023779) to the Japan-World Bank Program for Mainstreaming Disaster Risk Management in Developing Countries Single-Donor Trust Fund (TF072129) through the Policy and Human Resources Development Fund ("PHRD") (TF021330)

Dear Mr. von Amsberg:

1. We refer to the Arrangement for the Administration of the Japan Social Development Fund ("JSDF") (TF023779) between the Ministry of Finance of Japan (the "Ministry") and the International Bank for Reconstruction and Development, the International Development Association, and the International Finance Corporation (collectively, the "World Bank Group") effective as of June 19, 2000, as amended (the "JSDF Arrangement"). We also refer to the Arrangement for the Administration of the Policy and Human Resources Development Fund ("PHRD") (TF021330) dated March 19, 1999 as amended (the "PHRD Arrangement"). We also refer to the Japan-World Bank Program for Mainstreaming Disaster Risk Management in Developing Countries Single Donor Trust Fund (TF072129) (the "GFDRR Trust Fund") effective as of January 27, 2018 (the "GFDRR Administration Agreement").

2. Pursuant to recent discussions between the Ministry and the Bank, the JSDF funds in the amount of thirty million United States Dollars (USD 30,000,000) will be cancelled. The Ministry hereby authorizes the Bank to transfer the cancelled funds from the JSDF (TF023779) to the PHRD multilateral account (TF050728), and to further transfer to the GFDRR Trust Fund (TF072129) in accordance with paragraph 3 of the GFDRR Administration Agreement. The funds transferred to the GFDRR Trust Fund will be applied towards the Ministry’s second installment to the Trust Fund pursuant to paragraph 3 (E) of the Administration Agreement.

3.1. We understand that the Bank will credit JSDF (TF 023779) one million five hundred thousand United States Dollars (USD 1,500,000), an amount equal to five percent (5%) of thirty million United States Dollars (USD 30,000,000), previously retained for its own account as an administration fee pursuant to paragraph 3.2 of Attachment to the JSDF Arrangement.
3.2. Notwithstanding paragraph 7.4 of the PHRD Arrangement, the Bank will not deduct and retain for its own account an administration fee when the funds in the amount of thirty million United States Dollars (USD 30,000,000) are transferred to the PHRD multilateral account for onward transfer to the GFDRR Trust Fund in accordance with the GFDRR Administration Agreement.

3.3. Pursuant to paragraph 3 of Annex 2 to the GFDRR Administration Agreement, the Bank will deduct and retain for its own account, three hundred thousand United States Dollars (USD 300,000), an amount equal to one percent (1%) of thirty million United States Dollars (USD 30,000,000), as an administration fee when the funds in the amount of thirty million United States Dollars (USD 30,000,000) are further transferred to the GFDRR Trust Fund.

4. The Ministry consents to the disclosure of this letter and related information to the subject of this letter in accordance with the World Bank Policy on Access to Information.

Sincerely yours,

[Signature]

Masahiro Kan
Executive Director for Japan
Cc: Jaehyang So; Priya Basu; Helena Nkole; (DFPTF)
Cleared with: Akiko Oga'va (LEGCF); TACT