



Guidance and Templates for Modifications to World Bank (Single and Multi-Donor) Trust Funds

A Mandatory Reference for ADS Chapter 308

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To establish consistent processes for modifications to World Bank (International Development Association and International Bank for Reconstruction and Development) single-donor (i.e., cost-type) and multi-donor (i.e., project contribution) trust fund agreements, the World Bank and USAID have agreed to use standard templates for modifications to existing trust funds (including to provide incremental funding).¹ Generally, the World Bank will prepare a draft of the modification using the templates and send for USAID review.

In accordance with [ADS 308.3.7](#), a standard administrative cost recovery rate provision is included in all single-donor trust fund (SDTF) (cost-type) and multi-donor trust fund (MDTF) (project contribution) agreements between the U.S. Government and the World Bank. Upon receiving approval from the Executive Board of the Board of Directors of the World Bank (including the U.S. who is the largest shareholder), the World Bank updated its cost recovery (i.e., indirect cost) rates to 17% in December 2015, which is applicable to contributions for all new SDTF and MDTF agreements and to any modifications (including incremental funding) of existing agreements executed after December 2015.²

In instances which USAID is providing incremental funding to a trust fund with an original agreement entered into prior to December 2015, in order to apply the newer cost recovery rates to the new funding obligation (while continuing to apply the original cost recovery rates to funds obligated prior to December 2015), the World Bank will establish a parallel trust fund and issue a separate trust fund number associated with the new (post-December 2015) funding obligation. The USAID-World Bank agreed-upon Supplemental Agreement captures the new rates, parallel trust fund number, and additional provisions and language. For USAID's purposes, the grant/agreement number will remain the same as the original agreement. The Supplemental Agreement will serve as the sole formal modification document to provide incremental funding to the trust fund. The AO should not use a separate Modification of Assistance or other USAID template to obligate new funds.

The first occasion in which a USAID Operating Unit provides incremental funding as a modification to a trust fund initiated prior to December 2015 requires it to use Template A – Supplemental Agreement for SDTFs and MDTFs. In instances which USAID and the World Bank have already executed a Supplemental Agreement (see Template A) or for incremental funding to SDTFs/MDTFs originally executed from December 2015 onwards, the parties shall use Template B – Amendment with Funding to World Bank SDTFs/MDTFs. For simple modifications that do not add funding, Template C - Simple Amendment to World Bank SDTFs/MDTFs is appropriate.

¹ As indicated in [ADS 308](#), to provide an initial contribution via a project contribution into World Bank-administered multi-donor trust funds (MDTFs), AOs shall use the Multi-Donor Trust Fund (MDTF) Administration Agreement Template at ADS 308mal. If an operating unit proposes to provide an initial contribution via a cost-type agreement, it shall use the Single-Donor Trust Fund (SDTF) Template at [ADS 308mam](#).

² If the trust fund finances recipient (partner Government)-executed activities, an additional escalation fee will apply.

<u>Template A</u>	<u>Template B</u>	<u>Template C</u>
<p>> The original agreement was signed before Dec. 2015; <u>and</u> > No Supplemental Agreement has been previously executed since Dec. 2015 to incorporate the new cost recovery rates; <u>and</u> > The modification adds funding.</p>	<p>> The original agreement was signed after Dec. 2015; <u>or</u> > A modification using Special Template A or otherwise incorporating the new cost recovery rates has previously been executed; <u>and</u> > The modification adds funding.</p>	<p>> The modification does <u>not</u> add funding.</p>

Please contact your cognizant lawyer in GC or your RLO with any specific questions relating to this procedure.

Template A – Supplemental Agreement for World Bank Single-Donor and Multi-Donor Trust Funds

Model Supplemental Agreement Form for Additional Contributions to Single-Donor (SDTF) and Multi-Donor Trust Fund (MDTF) Agreements Originally Executed Prior to December 2015

[Note to USAID Staff: The World Bank will use this Model Supplemental Agreement Form for modifications/amendments to World Bank SDTFs and MDTFs where the original/initial SDTF/MDTF agreement was executed prior to December 2015 if USAID and the Bank have not already entered into a Supplemental Agreement since December 2015 to reflect the revised cost recovery (i.e., indirect cost rates provided herein).]

Supplemental Agreement Between the United States for International Development and the [International Bank for Reconstruction and Development and the International Development Association]³ regarding the _____ [insert TF name]

*(Trust Fund No. _____ [World Bank to insert new parallel TF number]⁴parallel to original
Trust Fund No. _____ [World Bank to insert original TF number]) (Modification No.
[USAID to insert USAID Modification number] to USAID Grant/Agreement No. AID _____ [USAID
to insert])*

1. Reference is made to the Agreement between the United States Agency for International Development (“USAID”) and the [International Bank for Reconstruction and Development and the International Development Association] (collectively, the “Bank” and together with USAID, the “Parties” and each a “Party”)⁵, regarding the _____ [insert TF name] Single-Donor/Multi-Donor Trust Fund No. _____ [insert original TF number] effective as of _____ [insert effectiveness date], as may have been amended (the “Agreement”).
2. In connection with the Agreement, and in support of the _____ [insert TF name] Trust Fund, the Bank acknowledges that USAID agrees to provide a contribution in the amount of _____ [insert amount and currency written out in words] (_____ [insert abbreviated currency reference and numerical amount]) (the “Contribution”) in accordance with the terms of this Supplemental Agreement (“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. _____ [insert new parallel TF number]) (the “Parallel Account”) for purposes of receiving contributions for the _____ [insert TF name] Trust Fund, which will be administered in parallel with the original trust fund account (Trust Fund No. _____ [insert original TF number]) (the “Original Account”), both of which accounts constitute the _____ [insert TF name] Trust Fund.

³ Use the Bank signatory parties (i.e., IBRD and/or IDA or both) appearing in the original Agreement. The choice of Bank party(ies) here should also be reflected in Section 1 and the signatory line.

⁴ Insert the new parallel trust fund number to be issued by WFA.

⁵ Change to (the “Bank”) if only the IBRD or IDA, rather than both, is a party to the Agreement.

[4. USAID shall provide the Contribution in the currency specified in Section 2 above and in accordance with the Payment (Periodic Advance) provision in Attachment 3 (Mandatory Standard Provisions) of the Agreement.]⁶

OR

[4. USAID 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 upon submission of a payment request by the Bank.]⁷

5. When making a deposit, USAID 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 USAID for Trust Fund No. _____ [insert new parallel TF number] (the _____ [insert TF name] Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, USAID 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 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 _____.⁸

8. For clarity, (a) subject to Section(s) 6 [and 7]⁹ above, all other terms of the 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 Agreement, as such terms may be amended from time to time, without regard to this Supplemental Agreement.

9. At the date of the Bank’s signature of this Supplemental Agreement, the Indirect Rate (as defined in the Schedule to this Supplemental Agreement) is 17%.

[0. The Bank will disclose this Supplemental Agreement in accordance with the Bank’s Policy on Access to Information. By entering into this Supplemental Agreement, USAID consents to such disclosure.

[1. 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]

⁶ Use this provision for USAID SDTF/cost-type agreements to capture the periodic advance form of payment.

⁷ Use this provision for USAID MDTF/project contribution agreements.

⁸ Insert new EDD, if applicable. The EDD is the same as the Expiration Date of the Grant.

⁹ Insert the bracketed text only if paragraph 7 is included.

By: _____
Name: _____
Title: _____

Date: _____

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

By: _____
Name: _____
Title: _____

Date: _____

Schedule

Revisions to the Agreement for Purposes of the Parallel Account Only

- (A) Section [F.3]¹⁰ of Attachment 1 (Schedule) of the Agreement (Administration Fee) is hereby eliminated.
- (B) The paragraph in Section B (Categories of Expenditures) of Attachment 2 of the Agreement on eligible categories of expenditure for Bank-executed activities is hereby substituted with the following terms:

“[1.] The following eligible expenditures categories may be used to finance Bank-executed activities:¹¹

- (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;
- (f) equipment and office premises lease cost; and
- (g) equipment purchased.

¹⁰ Please include relevant paragraph number.

¹¹ Please include the applicable eligible expense categories for Bank-executed activities included in the original TF account.

[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.¹²

[3.] The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the *World Bank’s 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 to Attachment 2 of the Agreement:

“[x.]¹³ The following activities may [also]¹⁴ be financed as Bank-executed activities by the Trust Fund:

[pick one of the following two options:]

[OPTION ONE] [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.]¹⁵ **OR**

[OPTION TWO] [Management and administration activities for the Trust Fund, including but not limited to, supporting 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 activities.]¹⁶”

[(D)¹⁷ The following Section is added to Annex 1 of the Agreement:

“[x].¹⁸ Trust Fund Fee

The Bank shall, as administrator of the Trust Fund, enter into one or more grant agreements (the “Grant Agreements”) with recipients (the “Recipient”) consistent with the purposes of this Agreement and on the terms and conditions set forth in the Grant Agreements. For recipient-executed activities, 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

¹² Insert only the necessary definitions that correspond to items listed with respect to footnote 14.

¹³ Insert Section number that follows the last Section number in Annex 1.

¹⁴ Delete “also” if there are no other Bank-executed activities.

¹⁵ Include for programmatic trust funds.

¹⁶ Include for freestanding trust funds.

¹⁷ Insert this paragraph if the original trust fund account finances Recipient-executed activities.

¹⁸ Insert Section number that follows last Section in Attachment 2.

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. _____ *[insert new parallel TF number]*, 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.”]

**Template B – Amendment to Agreements for
World Bank Single-Donor and Multi-Donor Trust Funds**

[Note to USAID Staff: Use this Amendment template for modifications/amendments to World Bank SDTFs and MDTFs in either of the following instances: (1) When the original/initial SDTF/MDTF agreement was executed after December 2015; or (2) When the original/initial SDTF/MDTF agreement was executed prior to December 2015 but USAID and the Bank have already entered into a Supplemental Agreement between December 2015 and now to reflect the revised cost recovery (i.e., indirect cost) rates provided herein.]

Amendment No. ____ to the Administration Agreement (for MDTFs)/Grant (for SDTFs)/Agreement for SDTFs) between the _____ [standard name of donor] and the [International Bank for Reconstruction and Development and the International Development Association]¹⁹ regarding the _____ [insert TF name] Single-Donor/Multi-Donor Trust Fund (No. _____ [insert TF number])

1. Reference is made to the Administration Agreement/Grant/Agreement between the _____ [standard name of donor]²⁰ (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 _____ [insert TF name] Single-Donor/Multi-Donor Trust Fund No. _____ [insert TF number] (the “Trust Fund”) effective as of _____ [insert effectiveness date] [as amended]²¹ (the “Administration Agreement/Grant/Agreement”).

[Pick the first option for Section 2 if only the End Disbursement date is being amended/pick the second option if other sections of the AA need to be amended]

2. The Donor and the Bank agree to the following amendment[s] to the Administration Agreement/Grant/Agreement:

(a) Section [____]²² shall be deleted and replaced with the following:

“[#]. [full text of the replaced End Disbursement Date paragraph]

(b) Section _____ shall be deleted and replaced with the following:

“[#]. [full text of the replaced paragraph]

3. All other terms of the Administration Agreement/Grant/Agreement shall remain the same.

¹⁹ Use the Bank signatory parties appearing in the original Administration Agreement/Grant/Agreement. The choice of Bank party(ies) here should also be reflected in Section 1 and the signatory line.

²⁰ Use the same Donor name as in the original Administration Agreement/Grant/Agreement.

²¹ If this is not Amendment No. 1 to the original Administration Agreement/Grant/Agreement, include this reference.

²² Insert correct Section reference.

4. Each of the Donors and the Bank represents, by confirming its agreement below, that it is authorized to enter into this Amendment and act in accordance with these terms and conditions. The Donor and the Bank are requested to sign and date this Amendment, and upon possession by the Bank of this fully signed Amendment, this Amendment shall come into effect as of the date of the last signature.

[INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT]

[INTERNATIONAL DEVELOPMENT ASSOCIATION]

By: _____

Name: _____

Title: _____

Date: _____

[FULL LEGAL NAME OF DONOR]

By: _____

Name: _____

Title: _____

Date: _____

Template C – Simple Amendment to World Bank SDTFs/MDTFs

[Note to USAID Staff: The World Bank will use this Amendment template for simple modifications/amendments to World Bank SDTFs and MDTFs when no incremental funding or additional contributions are included.]

Amendment No. ____ to the Agreement between the United States for International Development and the [International Bank for Reconstruction and Development and the International Development Association][1] regarding the ____ [insert TF name] Single-Donor/Multi-Donor Trust Fund (No. ____ [insert TF number])

1. Reference is made to the Agreement between the United States Agency for International Development (“USAID”) and the [International Bank for Reconstruction and Development and the International Development Association] (collectively, the “Bank” and together with USAID, the “Parties” and each a [“Party”]) regarding the _____ [insert TF name] [Single-Donor] [Multi-Donor] Trust Fund (Trust Fund No. _____ [insert **original** TF number]) effective as of _____ [insert effectiveness date], as amended (the “Agreement”).

1. [2]Reference is also made to the Supplemental Agreement between USAID and the Bank regarding _____ [insert Trust Fund Name] (Parallel Trust Fund No. _____ [insert **parallel** Trust Fund number] (the “Parallel Account”) effective as of _____ [insert effective date][, as amended][3] [(the “Supplemental Agreement”)].

32. USAID and the Bank agree to the following amendment[s] to the Agreement:

(a) Section [____][4] shall be deleted and replaced with the following:

“[#]. [full text of the replaced End Disbursement Date paragraph]

(b) Section ____ shall deleted and replaced with the following:

“[#]. [full text of the replaced paragraph]

3. All other terms of the Agreement shall remain the same.

4. USAID and the Bank represent, by confirming the agreement below, that they are authorized to enter into this Amendment and act in accordance with these terms and conditions. USAID and the Bank are requested to sign and date this Amendment, and upon possession by the Bank of this fully signed Amendment, this Amendment shall come into effect as of the date of the last signature.

[INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT]

[INTERNATIONAL DEVELOPMENT ASSOCIATION]

By: _____

Name: _____

Title: _____

Date: _____

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

By: _____

Name: _____

Title: _____

Date: _____

[1] Use the Bank signatory parties appearing in the original Agreement. The choice of Bank party(ies) here should also be reflected in Section 1 and the signatory line.

[2] Insert this paragraph if the EDD of the Parallel Account also needs to be extended simultaneously together with the EDD extension of the Original Account.

[3] Include this reference only if the Supplemental Agreement/Arrangement has been previously amended.

[4] Insert correct Section reference.