November 20, 2014

Mr. Morten Elkjaer
Head of Department for Green Growth
Ministry of Foreign Affairs of Denmark
2 Asiatsisk Plads
1448 Copenhagen K
Kingdom of Denmark

Amendment to the Administration Agreement between the Kingdom of Denmark acting through its Ministry of Foreign Affairs and the International Bank for Reconstruction and Development concerning the Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (TF No.071860)

Dear Mr. Elkjaer:

1. We refer to the Administration Agreement between the Kingdom of Denmark acting through its Ministry of Foreign Affairs (the “Donor”) and the International Bank for Reconstruction and Development (the “Bank”) regarding the Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (TF 071860) (the “Trust Fund” or “WAVES”) effective January 7, 2013, (the “Administration Agreement”).

2. Pursuant to recent discussions between the Bank and the Donor, the Bank proposes to amend Section 7.1. of Annex 2 to the Administration Agreement and renumber it as Section 8.2 of Annex 2 to the Administration Agreement to extend the End Disbursement Date to December 30, 2019 to read as follows:

“8.2. It is expected that the Contributions will be fully disbursed by the Bank by December 30, 2019. The Bank will only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.”

3. Additionally, the Parties agree to the following amendments to the Administration Agreement:

(a) In Article 6 of the Administration Agreement, the contact details for the Government of Denmark shall be replaced by:

“Anne Meldgaard
Chief Advisor
Department for Green Growth
Ministry of Foreign Affairs
Asiatsisk Plads 2
1448 Copenhagen
Kingdom of Denmark
Tel: +45 3392 1883  
E-mail: anmnel@um.dk

(b) Annex 1 to the Administration Agreement shall be deleted and replaced in its entirety with the attached Annex 1.

(c) Annex 2 to the Administration Agreement shall be deleted and replaced in its entirety with the attached Annex 2.

4. All other terms of the Administration Agreement shall remain the same.

5. The Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Agreement and related information on this Trust Fund.

6. We propose that this letter shall constitute an amendment to the Administration Agreement between the Bank and the Donor. Please confirm your acceptance to the foregoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your records and returning the other original to the Bank. Upon receipt by the Bank of the original Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]

Paula Caballero  
Senior Director  
Environment and Natural Resources

CONFIRMED AND AGREED:

THE KINGDOM OF DENMARK acting through its MINISTRY OF FOREIGN AFFAIRS

[Signature]  
Date: January 9 - 2015

By:  
Name: MORTEN ELKJER  
Title: Head of Department
ANNEX 1

Description of Activities and Expenditures under the Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (WAVES)

This Annex will be applicable to and form an integral part of all arrangements entered into between the Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

The activities to be financed by the Trust Fund are:

Component 1. Implementing ecosystem accounting at national or sub-national level in several developing and developed countries

1.1. Establishing an institutional structure to guide ecosystem accounting.
1.2. Coordinating in-country implementers.
1.3. Building capacity for ecosystem and comprehensive wealth accounts.
1.4. Constructing ecosystem and comprehensive wealth accounts

Component 2. Incorporating natural capital accounting in policy analysis and development planning

2.1. Building support and local capacity for analysis in partner countries.
2.2. Implementing policy analysis.
2.3. Providing policy inputs; develop outreach materials.
2.4. Holding annual workshops with broad-based participation.

Component 3. Developing standardized guidelines for ecosystem accounting for global implementation

3.1. Establishing and coordinating a Technical Experts Group to guide development and implementation of methodologies for ecosystem accounting to ensure cohesion, consistency and scalability of country studies.
3.2. Contributing guidelines for ecosystem accounting to the revised Handbook of the System of Environmental and Economic Accounting.

Component 4. Promoting the adoption of ecosystem and natural capital accounting beyond the WAVES partner countries

4.1. Establishing a broad platform for knowledge sharing and capacity building.
4.2. Conducting a review of country experiences with environmental accounts.
4.3. Participating in international forums that promote natural capital accounting.

Component 5. Trust Fund Management and Administration by the Secretariat.
B. CATEGORIES OF EXPENDITURE

For Bank-Executed activities the Contributions may be used to finance:

(a) Associated overheads;
(b) Short term consultants – with indirect costs;
(c) Extended term consultants – with indirect costs;
(d) Consultant fees for firms;
(e) Contractual services;
(f) Media, workshop, conferences and meetings;
(g) Staff costs – with indirect costs;
(h) Temporary support staff costs – with indirect costs;
(i) Travel expenses; and
(j) Equipment and office premises lease cost.

For Recipient-Executed activities, the Contributions may be used to finance:

(a) goods;
(b) services; and
(c) operating costs and any other allowable expenditures.

The foregoing categories of expenditures may include the financing of taxes.
ANNEX 2

Standard Provisions Applicable to the WAVES – Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund

This Annex shall be applicable to and form an integral part of all agreements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

1. Administration of the Contributions

1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the IBRD under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. The Contribution shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank’s obligations to give effect to the relevant decisions of the Security Council, taken under Chapter VII of the Charter of the United Nations. The Donor acknowledges that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to the Donor, nor shall it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contributions shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The Contributions may be commingled with other trust fund assets maintained by the Bank.

2.2. The Contributions may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

2.3. The Bank shall invest and reinvest the Contributions pending their disbursement in accordance with the Bank’s policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.
3. **Administrative Cost Recovery**

3.1. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Agreement, the Bank may deduct and retain for its own account an amount equal to two percent (2%) of each Contribution. In addition, costs for program management and administration as defined in Annex 1 up to a maximum of 10.7 percent (10.7%) of the contribution will be charged to the Trust Fund on an actual basis. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration agreement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

4. **Grants to Recipients**

4.1. The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into grant agreements (the “Grant Agreements”) with eligible recipients (the “Recipients”) consistent with the purposes of this Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the Bank and the Donors. Upon request by a Donor, the Bank shall furnish a copy of the Grant Agreements to the Donors.

4.2. The Bank shall be responsible for the supervision of the activities financed under the Grant Agreements. Subject to the consent of the Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

4.3. The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.

5. **Procurement**

5.1. For Recipient-executed activities, the Grant Agreements shall provide that the Contributions shall be used by the Recipients to finance expenditures for goods and services, as the case may be, in accordance with the Bank’s Guidelines on “Procurement under IBRD Loans and IDA Credits” and the Bank’s Guidelines on the “Selection and Employment of Consultants by World Bank Borrowers,” as in effect at the date of entry into the respective Grant Agreements.

5.2. For Bank-executed activities, the employment and supervision of any consultants and the procurement of any goods financed by the Contributions shall be the responsibility of the Bank and shall be carried out in accordance with its applicable policies and procedures.
6. Accounting and Financial Reporting

6.1. The Bank shall maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund account and disbursements made therefrom.

6.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Contributions will be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

6.3. The Bank shall provide to the Donors, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (1) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (2) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

6.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be paid by the requesting Donor.

6.5. The Bank shall provide the Donors with copies of all financial statements and auditors’ reports received by the Bank from the Recipients pursuant to the Grant Agreements.

7. Progress Reporting

7.1. The Bank shall provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.2, the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

7.2. Any Donor may review or evaluate activities financed by the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of its policies and procedures. All associated costs shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.
8. **Disbursement; Cancellation; Refund**

8.1. The Contributions may be used to retroactively finance payments for eligible expenditures in accordance with the Bank’s policies and procedures.

8.2. It is expected that the Contributions will be fully disbursed by the Bank by December 30, 2019. The Bank shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.

8.3. Any Donor or the Bank may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share, of any remaining balance of the Contributions that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Agreement prior to the receipt of such notice, including the Grant Agreements.

8.4. Following the final disbursement date specified in paragraph 8.2, the Bank shall return any remaining balance of the Contributions to the Donors on a pro rata basis based on the Donors’ paid Contributions. In the event of a cancellation the Bank shall promptly return to the relevant Donor or Donors the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 8.3.

9. **Disclosure**

The Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, Donors consent to disclosure of this Agreement and related information on this Trust Fund.