***Supplemental Arrangement between the Government of Australia acting through the Department of Foreign Affairs and Trade, the International Bank for Reconstruction and Development and the International Development Association and the United Nations Office on Drugs and Crime regarding the Stolen Asset Recovery Initiative (“StAR”) Multi-Donor Trust Fund***

***(Trust Fund No. TF072650, parallel to original Trust Fund No. TF No. 071149)***

1. Reference is made to the Administration Arrangement between the Government of Australia, acting through the Department of Foreign Affairs and Trade (formerly, the “Australian Agency for International Development”) (the “Donor”), the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) and the United Nations Office on Drugs and Crime (“UNODC”, together with the Bank and the Donor, the “Participants” and each a “Participant”) regarding the Stolen Asset Recovery Initiative (“StAR”) Multi-Donor Trust Fund effective as of November 3, 2008, as amended (the “Administration Arrangement”).
2. In connection with the Administration Arrangement, and in support of the Stolen Asset Recovery Initiative (“StAR”) Multi-Donor Trust Fund, the Donor has decided , subject to Legislative appropriations, to provide the amount of one million five hundred and twenty thousand Australian Dollars (AUD 1,520,000) (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. TF072650)(the “Parallel Account”) for purposes of receiving contributions for the StAR Multi-Donor Trust Fund, which will be administered in parallel withthe original trust fund account (Trust Fund No. TF071149 (the “Original Account”)*,* both of which accounts constitute the StAR Multi-Donor 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) By June 30, 2017 – AUD 420,000

(B) By June 30, 2018 – AUD 600,000

(C) By June 30, 2019 – AUD 500,000

5. The Contribution is being provided in Instalments on the basis of financial needs of the StAR Multi-Donor 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 mutually decide 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. TF072650(the Stolen Asset Recovery Initiative (“StAR”) Multi-Donor 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 Donor has expressed its preference that the Contribution be used to finance activities in South Asia, Southeast Asia and the Pacific. It is understood that the Bank cannot ensure that the Contribution will be used for such preference and that he Bank will not have any obligation to the Donor if such preference cannot be achieved.

8. 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.

9. For clarity: (a) subject to Paragraph 8 above, all other terms of the Administration Arrangement, as such terms may be amended from time to time, will remain the same and 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 Arrangement, as such terms may be amended from time to time, without regard to this Supplemental Arrangement.

10. 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%.

11. The Bank and the Donor acknowledge that the Supplemental Arrangement will be made publicly available and that any related information on the StAR Multi-Donor Trust Fund in the Bank’s and the Donor’s possession may be publicly disclosed in accordance with: (i) the Bank’s policies and procedures with respect to any such information in the Bank’s possession; and (ii) the Donor’s applicable laws with respect to any such information in the Donors’ possession.

12. All references made in the Schedule of the Supplemental Arrangement to “Administration Agreement” and “shall”, will have the same meaning as the term “Administration Arrangement” and “will” as used herein.

13. Each of the Participants represents, by confirming its acceptance below, that it is authorized to enter into this Supplemental Arrangement and act in accordance with its provisions. The Participants are requested to sign and date this Supplemental Arrangement, and upon possession by the Bank of this fully signed Supplemental Arrangement, this Supplemental Arrangement will come into effect as of the date of the last signature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Ceyla Pazarbasioglu

Senior Director

Finance & Markets Global Practice

**THE GOVERNMENT OF AUSTRALIA ACTING THROUGH THE DEPARTMENT OF**

**FOREIGN AFFAIRS AND TRADE**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Luke Arnold

Director

Law and Justice Section

**UNITED NATIONS OFFICE ON DRUGS AND CRIME**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Jean-Luc Lemahieu

Director

Division for Policy Analysis and Public Affairs

**Schedule**

**Revisions to the Administration Agreement** **for Purposes of the Parallel Account Only**

(A) Section 3.1 (Administrative Cost Recovery) of Annex 2 of the Administration Agreement is hereby eliminated.

(B) Section F.1 (i) of Annex 1 of the Administration Agreement is hereby substituted with the following terms:

“(1) The following eligible expenditures categories may be used to finance Bank-Managed Activities:

(i) staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries); extended term consultants and temporaries; short-term consultants and temporaries; contractual services; media, workshops, conferences and meetings; travel expenses; and equipment and office premises lease cost, equipment purchased.

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

The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the *World Bank’s Donor 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 Section is added to Annex 2 of the Contribution Agreement:

“10. Trust Fund Fee

The Bank shall calculate a fee each time funds from the Trust Fund become committed under a Bank Grant Agreement (the “Grant Amount”) and each time funds are transferred under the Transfer Agreement (the “Transfer Amount”). Such commitment shall occur when such Bank Grant Agreement is fully countersigned, and such transfer shall occur when the Bank transfers funds from the Trust Fund to UNODC, upon submission by UNODC of a transfer request to the Bank (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 Bank Grant Agreements that have been fully countersigned and funds transferred under the Transfer Agreement on or prior to the Calculation Date (the “Cumulative Total Amount”).  The calculated fee shall depend on where the Cumulative Total Amount stands as the Grant Amount and the Transfer Amount are added and shall be determined in accordance with the following schedule:

1. 5% of any portion of the Grant Amount and/or Transfer Amount that results in a Cumulative Total Amount below or equal to US$ 50 million or equivalent; plus
2. 4% of any portion of the Grant Amount and/or Transfer Amount that results in a Cumulative Total Amount above US$ 50 million or equivalent and below or equal to US$ 500 million or equivalent; plus
3. 3% of any portion of the Grant Amount and/or Transfer Amount that results in a Cumulative Total Amount above US$ 500 million or equivalent and below or equal to US$ 1 billion or equivalent; plus
4. 2% of any portion of the Grant Amount and/or Transfer Amount that results in a Cumulative Total Amount above US$ 1 billion or equivalent.

Following each Calculation Date, the Bank shall deduct from the trust fund account, TF072650, and retain for its own account, the fee as set forth above. Grant Amounts and/or Transfer Amounts may not exceed the balance of uncommitted funds in such account net of the related fee.”