Dear Mr. Lamb:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA", and together with IBRD, the "Bank") that the Bill & Melinda Gates Foundation (the "Donor") shall make available as a grant the sum of one million three hundred and ninety four thousand and one hundred forty one United States dollars (US$ 1,394,141) (the "Contribution") for the Responsible Financial Inclusion and Financial Infrastructure Trust Fund (TF 071874) in accordance with the terms of this Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.

2. The Contribution shall be used to finance the activities and the categories of expenditure set forth in the "Description of Activities, Expenditures and Governance Arrangements for the Responsible Financial Inclusion and Financial Infrastructure Trust Fund" attached hereto as Annex 1, and shall be administered by the Bank in accordance with the terms of this Agreement including the "Standard Provisions Applicable to the Responsible Financial Inclusion and Financial Infrastructure Trust Fund" (the "Standard Provisions") attached hereto as Annex 2.

3. The Bank has confirmed that it is an international organization designated as such by Executive Order under the International Organizations Immunities Act, 22 USC 288, Executive Orders 9751 and 11966.

4. No portion of the Contribution is earmarked for lobbying activity.
5. The Donor will deposit the Contribution into such bank account designated by the Bank on or before February 28, 2013, and upon submission of a payment request by the Bank.

6. When making such deposit, the Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor for TF 071874 (the Responsible Financial Inclusion and Financial Infrastructure Trust Fund), and the date of the deposit (the “Deposit Instruction”). In addition, the Donor shall provide a copy of the Donor’s Deposit Instruction 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. Except as provided for in paragraph 6 above, any notice, request or other communication to be given or made under this Agreement shall be in writing and delivered by mail, facsimile or e-mail to the respective party’s address specified below or at such other address as such party notifies in writing to the other party from time to time:

For the Bank:

Klaus Tilmes
Director
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: (202) 473-4903
E-mail: ktilmes@worldbank.org

For the Donor:

Mireya Almazan
Program Officer
Bill & Melinda Gates Foundation
P.O. Box 23350
Seattle, WA 98102
U.S.A.

Tel: (202) 770-1805
E-mail: Mireya.Almazan@gatesfoundation.org

8. All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the Bank and the Donor; provided, however, that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.
9. Consistent with paragraph 8 of Annex 2 to this Agreement, the Donor may disclose its Contribution in accordance with its policies.

10. Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Klaus Tilmes
Director
Financial and Private Sector Development

CONFIRMED AND AGREED:
BILL & MELINDA GATES FOUNDATION

By: [Signature]
Jason Lamb
Deputy Director

Date: Jan 15, 2013
ANNEX 1

Description of Activities, Expenditures and Governance Arrangements for the Responsible Financial Inclusion and Financial Infrastructure Trust Fund

This Annex shall be applicable to and form an integral part of all agreements 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 development objective of the Trust Fund is to support policymakers and regulators in developing countries to significantly expand access to financial services for low income households and micro, small and medium enterprises, build essential financial infrastructure, and strengthen consumer protection and financial literacy frameworks.

The Trust Fund will support activities aimed at furthering its objectives, namely the provision of technical assistance in support of policy and regulatory reforms and capacity building for government agencies and ministries, regulators, financial institutions, civil society, and other relevant entities through, inter alia: (i) providing advisory services, (i i) preparing and conducting surveys, (iii) conducting diagnostic, statistical and analytical activities, (iv) generating databases, (v) preparing reports, guides or resource materials, (vi) undertaking training seminars, workshops and conferences, (vii) developing and maintaining informational websites, and (viii) assisting in the establishment and monitoring of pilot programs; to:

(a) design and implement reforms and other measures to promote responsible finance, including through strengthening consumer protection frameworks, and through developing financial literacy initiatives;

(b) develop and strengthen remittance and payment systems;

(c) assist in the design and implementation of national strategies to promote financial inclusion;

(d) assist in the development of financial infrastructure (including credit reporting systems and secured transaction frameworks);

(e) assist in the development of programs to improve access to financial services for micro, small and medium enterprises (MSMEs), including through regulatory reforms and trade finance initiatives; and

(f) assist in the development of programs to promote agricultural finance.
B. CATEGORIES OF EXPENDITURE

The Contributions may be used to finance: (a) staff costs with indirects; (b) consultant fees individuals and firms; (c) travel expenses; (d) media, workshops, conferences and meetings costs; (e) associated overheads; (f) extended term consultants and (g) contractual services.

C. GOVERNANCE ARRANGEMENTS

It is anticipated that a steering committee will be established to: (i) provide strategic guidance and direction on the implementation of the Trust Fund activities; and (ii) review and endorse the annual work plans relating to the Trust Fund. The steering committee would be comprised of qualified representatives from the Bank and, at the choice of each donor, a representative of each donor. The steering committee would be chaired by the Vice President of the Bank's Private Sector Development Vice-Presidency, or due designee. The steering committee would meet promptly following effectiveness of the Trust Fund. It is envisaged that the steering committee will meet at least once annually. Steering committee meetings may be conducted via email, phone or in-person.
Standard Provisions Applicable to the Responsible Financial Inclusion and Financial Infrastructure 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 and IDA under their 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 associated with the establishment of the Trust Fund, the Bank may, following deposit of the first Contribution from any Donor to the Trust Fund, deduct and retain for its own account from that Contribution an amount equal to and not greater than thirty-five thousand United States Dollars (US$35,000).

3.2. 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 five percent (5%) of each Contribution. 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. **Procurement**

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.

5. **Accounting and Financial Reporting**

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

5.2. 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.

5.3. 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.

5.4. 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. **Progress Reporting**

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

6.2. 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.

7. **Disbursement; Cancellation; Refund**

7.1. It is expected that the Contributions will be fully disbursed by the Bank by December 31, 2017. The Bank shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.

7.2. 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.

7.3. Following the final disbursement date specified in paragraph 7.1., the Bank shall return any remaining balance of the Contributions to the Donors or to the relevant Donor Balance Account 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 or to the relevant Donor Balance Account the Donor's pro rata share of uncommitted Contributions in accordance with paragraph 7.2.

8. **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.