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Administration Agreement for the Trust Fund for the Australian Support to Lao People’s Democratic Republic for the Education for All Fast Track Initiative (EFA FTI) Program (Trust Fund No. TF071623) (AusAID Agreement No. 58289)

Article 1
Subject and amount of the Grant

Section 1.01 In pursuance of the Cofinancing and Trust Funds Framework Agreement between the Government of Australia (“Donor”) and the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively the “Bank”) dated 2 June 2004, as amended, (the “Framework Agreement”), we are pleased to acknowledge the intention of the Donor to make available as a grant the sum of twenty one million one hundred eighty thousand Australian Dollars (AUD 21,180,000) (the “Grant”), to be administrated by the Bank for the Australian Support to the Lao People’s Democratic Republic for the Education for All Fast Track Initiative (EFA FTI) Program (the “Program”) (Trust Fund No. TF071623).

Section 1.02 The terms of the Framework Agreement shall apply to the Grant. The Bank shall administer the Grant in accordance with the provisions of the Framework Agreement, except as otherwise provided herein.

Section 1.03 The Grant shall be administrated 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 the 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.

Section 1.04 The Grant shall be used for the following activities:

1.04.1 Recipient Executed Activities: to provide additional resources to scale up the Program and provide additional resources to the following components:

A. Access and Quality for Pre-Primary and Primary Education (up to AUD 20.98 million)

(a) Community-Based Contracting for School Construction

Carry out a community-based contracting program for school construction at the village level in the Program Districts, including the provision of Construction Sub-project Grants or, in particular cases other sub-grants.

(b) Quality Inputs
Section 1.06 The Bank shall maintain separate records and ledger accounts in respect of the Contribution deposited in the Trust Fund account and disbursements made therefrom.

Section 1.07 The Bank shall make available to the Donor current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Grant Funds via the World Bank’s Trust Funds Donor Center secure website (https://clientconnection.worldbank.org). Within six (6) months after all commitments and liabilities under this 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 Grant Funds shall be made available to the Donor via the World Bank’s Trust Funds Donor Center secure website.

Section 1.08 The Bank shall also provide the Donor with copies of all financial statements and auditors’ reports received by the Bank from the Recipient pursuant to the Grant Agreement.

Section 1.09 The Bank shall provide to the Donor, 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.

Section 1.10 If the Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund established under this Administration Agreement, 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 most 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 Donor.

Section 1.11 In addition the Bank shall provide a semi-annual report on the activities financed by the Grant and a final report on the activities following the Completion Date. In conjunction with this semi-annual reporting, the Bank will meet with the Donor and relevant Lao PDR Ministry of Education Officials to discuss implementation progress of the Program.

Section 1.12 The Bank shall make every endeavour to provide timely advice to the Donor of issues arising during implementation, particularly those that could affect implementation progress or alter agreed activities.

Section 1.13 The Bank shall make available to the Donor the Operations Manual/s for the Program.

**Article 2**

**Payment Schedule and Modalities**

Section 2.01 The Donor shall deposit the Grant funds with the Bank, into such bank account designated by the Bank upon submission of a payment request by the Bank in accordance with the following schedule:

- upon confirmation by the Bank of this Administration Agreement \(\text{AUD} \ 9,016,000\).
This Administration Agreement is drawn up in two originals, one for each party. It may be amended only by written agreement of the parties hereto.

GOVERNMENT OF AUSTRALIA

By: /s/ James Batley
Title: Deputy Director General, AusAid
Date: 18/3/2011

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Deborah A. Bateman
Title: Acting Country Director, Lao People's Democratic Republic

Title: Acting Country Director, Lao People's Democratic Republic
Date: February 15, 2011