Administration Agreement between the Swiss Agency for Development and Cooperation and the International Development Association concerning the Nepal Earthquake Reconstruction Multi-Donor Trust Fund (No. TF072450)

1. The International Development Association (the “Bank”) acknowledges that the Swiss Agency for Development and Cooperation (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of four million five hundred thousand Swiss Francs (CHF 4,500,000) (the “Contribution”) for the Nepal Earthquake Reconstruction Multi-Donor Trust Fund, No. TF072450 (the “Trust Fund”) in accordance with the terms of this Administration Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Agreement.

2. The Contribution shall be used to finance the activities set forth in the “Nepal Earthquake Reconstruction Multi-Donor Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and the provisions on “Governance” attached hereto as Annex 3.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank:

   (A) by December 20, 2015: three million Swiss Francs (CHF 3,000,000); and
   (B) by June 20, 2016: one million five hundred thousand Swiss Francs (CHF 1,500,000)

4. When making any deposit, the Donor 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 the Donor for TF072450 (the Nepal Earthquake Reconstruction Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor 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 +1 (202) 614-1315.

5. Except with respect to the Deposit Instructions, any notice, request, or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax, 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 (the “Bank Contact”):

   Nicolette L. Bowyer-Walker
   Operations Adviser
   South Asia Region Development Effectiveness Unit
   The World Bank
   1818 H Street, N.W.
   Washington D.C. 20433
   Phone: 202-473-8724
   Email: nbowyer@worldbank.org
For the Donor (the "Donor Contact"):

Diepak Elmer  
Chargé d’Affaires  
Swiss Embassy, Nepal  
Man Bhawan, Jawalakhel  
P.O. Box No. 113, Kathmandu, Nepal  
Tel: +977 1 552 49 27  
Fax: +977 1 552 53 58  
E-mail: diepak.elmer@eda.admin.ch

6. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank. When making any deposit, the Bank shall 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 Bank in relation to TF072450 (the Nepal Earthquake Reconstruction Multi-Donor Trust Fund), and the date of the deposit.

7. All annexes hereto constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. This Administration Agreement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Agreement may be amended only by written amendment of all donors contributing to the Trust Fund.

8. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

INTERNATIONAL DEVELOPMENT ASSOCIATION
By: [Signature]
Name: KAKUYA KAHATA
Title: COUNTRY MANAGER
Date: DECEMBER 7, 2015

SWISS AGENCY FOR DEVELOPMENT AND COOPERATION
By: [Signature]
Name: DIEPALK ELMER
Title: CHARGÉ D’AFFAIRES
Date: DECEMBER 17, 2015
ANNEX 1

Nepal Earthquake Reconstruction Multi-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the “Administration Agreements” and each an “Administration Agreement”) between the Bank and any entities that provide any funds to the Trust Fund (collectively, the “Donors”).

1. Objectives

The objectives of the Trust Fund are to support effective implementation of the Nepal Earthquake Housing Reconstruction Project (IDA Credit No. 5706-NP).

2. Activities

The activities to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

(i) Carrying out technical assistance and capacity building activities aimed at strengthening Nepal’s overall capacity towards better risk mitigation, preparedness, and disaster response, in line with global best practices.

(ii) Carrying out Trust Fund operational activities, including but not limited to, processing, appraising, monitoring, supervising, and evaluating Recipient-executed activities (Recipient as defined in Annex 2).

(iii) Carrying out 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.

2.2 Recipient-executed activities, for which one or more Recipients have implementation responsibility:

(i) Provision of housing grants for the reconstruction of multi-hazard resilient core housing units.

(ii) Provision of support to establish a program of owner-driven housing reconstruction, including social, environmental, and technical support mechanisms for beneficiary households.

(iii) Provision of support for the establishment of systems to ensure better risk mitigation, preparedness and disaster response.
3. **Eligible Expenditures**

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

- (a) contractual services;
- (b) equipment and office premises lease cost;
- (c) equipment purchased;
- (d) media, workshops, conferences, and meetings;
- (e) travel expenses;
- (f) short-term consultants and temporaries;
- (g) extended term consultants and temporaries; and
- (h) staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries).

3.2 For purposes of this section: (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.

3.3 Any equipment purchased under sub-paragraph 3.1 above shall be transferred to Recipient-government authorities upon closure of the Trust Fund or earlier when no longer required to support Trust Fund operations, management or administration; provided such transfer is at no cost to the Bank and is on an "as-is, where-is" basis without warranty or guarantee from the Bank. If such disposal method is not feasible, the Bank shall seek another means of disposal in conformity with Bank policies and procedures, as the case may be, including potentially donation to organizations that have a charitable or non-profit status.

3.4 For Recipient-executed activities, the Trust Fund funds may be used to finance:

- (a) Civil works;
- (b) Consultant's services;
- (c) Non-consulting services;
- (d) Goods;
- (e) Operating costs;
- (f) Training; and
- (g) Sub-grants.

4. **Taxes**

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.
ANNEX 2

Standard Provisions

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. Administration of the Contributions

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration 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 Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor's Contribution (collectively, the “Contributions”) 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 procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activities, 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 Donors acknowledge 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 a Donor.

2. Management of the Contributions

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is United States Dollar (the “Holding Currency”).

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as it may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable 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. **Accounting and Financial Reporting**

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

3.2 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency 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 with respect to the Contributions shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

3.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) 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 (ii) 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.

3.4 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 borne by the requesting Donor.

4. **Progress Reporting**

4.1 The Bank shall provide the Donors with semiannual progress reports by two (2) weeks prior to the semiannual meeting of the Donor Coordination Committee convened in accordance with paragraph 1.4 of Annex 3 to this Administration Agreement. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donors, as such results framework may be reviewed by the Parties from time to time. Within (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final report for the Trust Fund.

4.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of 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 the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, 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.

5. **Disbursement; Cancellation; Refund**

5.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2022 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration
Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2 Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in the Administration Agreement unless otherwise agreed between the Bank and the Donor.

6. Disclosure: Dispute Resolution

6.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank's Policy on Access to Information. By entering into Administration Agreements, the Donors consent to such disclosure of their respective Administration Agreements and such related information.

6.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7. Grants to Recipients

7.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more Grant Agreements (the “Grant Agreements”) with recipients (the “Recipients”) consistent with the purposes of this Administration 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.

7.2 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 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; plus
(ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 50 million and below or equal to US$ 500 million; plus
(iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 500 million and below or equal to US$ 1 billion; plus
(iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 1 billion.

Following each Calculation Date, the Bank shall deduct from the Trust Fund, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in the Trust Fund net of the related fee.
7.3 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

7.4 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.
ANNEX 3

Governance

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. Donor Coordination Committee

1.1 The Bank will convene a Donor Coordination Committee to: (i) facilitate the open discussion of key issues and identification of possible solutions in the implementation of the activities to be financed by the Trust Fund; (ii) ensure that Donors are kept abreast of progress of the Trust Fund; and (iii) coordinate, as needed, with the various actors involved in supporting Nepal’s housing reconstruction efforts.

1.2 The Donor Coordination Committee will comprise the Bank and designated representatives of the Donors that have made a minimum contribution of seven million United States Dollars ($7,000,000) (the “Minimum Contribution”) to the Trust Fund. A Donor that has made a Contribution to the Trust Fund for a lesser amount may group with other such Donor(s) for purposes of designating, on a rotating basis as agreed among themselves, a representative of the group to the Donor Coordination Committee; provided, however, that such Donors’ contributions in the aggregate amount to at least the Minimum Contribution.

1.3 Other stakeholders and representatives from agencies of the Government of Nepal involved in the implementation of the Nepal Housing Reconstruction Project may be invited to participate as observers in the meetings of the Donor Coordination Committee as needed, and the Donors may be invited to participate with the Bank in meetings with other stakeholders and Government of Nepal agencies for coordination of the overall housing reconstruction platform.

1.4 The Bank will convene the Donor Coordination Committee within three (3) months of the signing of the first Administration Agreement concerning the Trust Fund. Subsequent meetings of the Donor Coordination Committee will be called by the Bank on a semiannual basis. The meetings may be conducted virtually or physically.

2. Secretariat

2.1 The Bank will establish and maintain a Secretariat, comprised of Bank staff, responsible for Trust Fund program management, including day-to-day operations, proposal management, portfolio and related procedures, monitoring and evaluation, communications, partner relations, and reporting on all performance aspects of the Trust Fund.