Dear Mrs. Steinke:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively, the "Bank") the intention of the Government of the Federal Republic of Germany, acting through its Ministry for Economic Cooperation and Development (the "Donor") to make available as a grant the sum of one million seven hundred thousand Euros (EUR 1,700,000) (the "Contribution") for the Multi-Donor Nordic Trust Fund. Other donors are also expected to contribute to this 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 and Expenditures under the Multi-Donor Nordic Trust Fund" attached hereto as Annex 1. Annex 1 constitutes an integral part of this Agreement.

3. The Contribution shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement and the "Standard Provisions Applicable to the Multi-Donor Nordic Trust Fund" (the "Standard Provisions") attached hereto as Annex 2. The Standard Provisions constitute an integral part of this Agreement.
4. The Donor shall deposit the Contribution into such bank account designated by the Bank in accordance with the following schedule upon submission of a payment request by the Bank:

   (a) promptly following countersignature of this Agreement by the Donor and by December 31, 2014, five hundred thousand Euros (€ 500,000);
   
   (b) on or before October 1, 2015, seven hundred thousand Euros (€ 700,000) subject to the extension of the end disbursement date of the Trust Fund as specified in paragraph 9.1 of Annex 2 to this Agreement; and
   
   (c) on or before October 1, 2016, five hundred thousand Euros (€ 500,000) subject to the extension of the end disbursement date of the Trust Fund as specified in paragraph 9.1 of Annex 2 to this Agreement.

5. 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 TF071180 (Multi-Donor Nord e Trust Fund), and the date of the deposit. 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 +1(202) 614-1315.

6. Immediately upon receipt of the Contribution funds, the Bank shall convert such funds into United States dollars.

7. The offices responsible for coordination of all matters related to the implementation of this Agreement are:

   For the Bank:

   Anders Zeijlon
   Coordinator
   Governance Global Practice
   The World Bank
   1818 H. St. N.W
   Washington, DC 20433
   U. S. A.

   Tel: 202-473-3354
   Fax: 202-522-7499
   Email: azeijlon@worldbank.org
For the Donor:

Marita Steinke
Head of Division
Human Rights, Gender Equality, Culture and Development
Federal Ministry for Economic Cooperation and Development (BMZ)
Dahlmannstrasse 4, 53113 Bonn
Germany

Tel.: +49-228-99535-3710
Fax: +49228-9910-535-3710
Email: Marita.Steinke@bmz.bund.de

8. This Agreement may be amended only in writing between the Bank and the Donor; provided, however, that Annex 1 (Description of Activities and Expenditures) and Annex 2 (Standard Provisions) to this Agreement may only be amended with the agreement of all Donors contributing to this trust fund.

9. 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

Mario Marcel
Senior Director
Governance Global Practice

AGREED:

GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY, acting through its MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT (BMZ)

By: ___________________________ Date: _______________________
Marita Steinke
Head of Division
Human Rights, Gender Equality, Culture and Development
ANNEX I

Governance Structure and Description of Activities and Expenditures under the Multi-Donor Nordic Trust Fund

1. Purpose

1.1 The multi-year and multi-donor Nordic Trust Fund (TF) will help the Bank develop an informed view on how human rights relate to its analytical activities and operations by identifying and tapping into the Bank’s comparative advantages and ways to systematize and improve existing involvement in human rights areas in the overall context of the Bank’s core mission of promoting economic growth and poverty reduction. It is primarily a Bank-internal ‘learning by doing’ process based on pilot projects, but may involve limited activities in countries provided that there is an express interest from governments.

1.2 The TF will support work to explore ways in which human rights approaches to poverty reduction can make World Bank Group analysis and operations more effective in accordance with the priorities of partner countries; and to identify innovative approaches to e.g. access to education, access to justice, rule of law and greater equity and equality in application of the law and legal rights, particularly those that empower vulnerable groups.

1.3 The TF activities fall squarely within and will support current efforts to align Bank activities with its new Priority Themes, providing an added lens to the Themes.

1.4 The TF will be task managed from within OPCCS, and lessons learned will be reported to CODE. The lessons learned could, in turn, provide factual information on how human rights relate to priority issues of the Bank.

2. Indicative activities

2.1 The TF’s preliminary work program would envisage supporting the following types of activities:

(i) Applied Research: core focus would be the interface of economics and human rights.

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1 See IBRD Articles of Agreement, Art. IV, Section 10 (“The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I.”).
(ii) *Capacity Building of Bank Staff*: would seek first to gauge Bank staff’s familiarity and training needs on human rights in order to design tools and capacity building activities.

(iii) *Operations*: would provide a concrete means for Bank staff, in the networks and country offices, to identify how human rights could help improve existing activities, in-line with government development priorities. Limited recipient executed activities in the form of pilot projects building on the outcomes of the applied research undertaken under this TF, or in response to an explicit country request, could be carried out.

(iv) *Partnerships*: would be cross-cutting to other activities, with international partners, and designed to identify and promote means for better coordination of activities at the field-level.

2.2 These activities may be revised after a minimum of 2 years of the TF's operation based on initial results of the TF activities and as specified in the TF work plan as developed in consultation with the TF donors.

3. **Governance Structure**

3.1 The Nordic Trust Fund (NTF) will be housed within the Country Services Unit (OPCCS) in the Operations Policy and Country Services (OPCS) Vice Presidency.

3.2 The day-to-day management of the Trust Fund (TF) will be undertaken by the TF Secretariat within OPCCS under supervision of the TF coordinator. The Secretariat will administer, manage and oversee the TF activities, provide support to the TF Steering Committee, prepare annual monitoring reports, and organize annual discussions with TF donors. A Steering Committee, comprising senior representatives from relevant Vice Presidential Units across the Bank, will be responsible for developing the TF’s annual work plan, overseeing the distribution of funds, and monitoring the TFs outcomes and impact. The OPCS Vice President will appoint a TF Coordinator who will be a member of the Steering Committee and manage the Secretariat. This TF Coordinator will take over from the interim Task Team Leader for the TF, prior to operational disbursements.

3.3 Through an annual consultation process, TF donors will be able to provide to the Steering Committee input into and feedback on the proposed annual work plan and budget. An annual Progress Report, evaluating the outcomes of activities financed, will be submitted to the TF donors.

3.4 Following the establishment of the TF, the Secretariat will develop and propose a resource allocation process which will be vetted and endorsed by the Steering Committee.
4. Expenditure Categories

4.1 The following categories of expenditures can be financed from the Trust Fund:

(1) Associated Overheads;
(2) Consultant fees;
(3) Contractual services;
(4) Extended Term Consultants;
(5) Media and Workshop costs;
(6) Temporary Support Staff Costs (Program administration);
(7) Travel Expenses, including travel expenses for Bank staff, Short Term Consultants, Short Term Temporary Staff, Extended Term Consultants, Extended Term Temporary Staff, and
(8) Bank Staff Costs².

² The funding of staff costs will be limited relative to the overall expenditures under the TF and will be explicitly communicated to the donors in the TF’s annual work plan.
Standard Provisions Applicable to the Multi-Donor Nordic Trust Fund

The following provisions (hereinafter referred to as the “Standard Provisions”) shall be applicable to and form an integral part of all agreements entered into between the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”) and donor countries and/or organizations (hereinafter referred to as the “Donors”) that provide grants (referred to as the “Contributions”) to be administered by the Bank for the Multi-Donor Trust Fund for the Nordic Trust Fund (the “Project”).

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, including its framework regarding anti-corruption, as the same may be amended from time to time.

2. Commingling, Exchange and Investment of the Contributions

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

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

2.3. The Bank shall invest and reinvest the Contribution funds 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 established under this Agreement to be used for the same purposes as the Contribution funds.
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, following deposit of the Contribution by the Donor, deduct from the total Contribution of the Donor and retain for the Bank’s own account an amount equal to two percent (2%) of the Contribution to cover central unit costs. In addition, costs for program development, management and supervision incurred by the managing unit will be specified in the annual work plans and budget and will be charged to the trust fund on an actual basis up to a maximum of US$ 2,703,729.00.

4. **Grants to Recipients**

4.1. The Bank shall, as administrator on behalf of the Donors, enter into grant agreements (the “Grant Agreements”) with Recipients for the provision of Contribution funds for the purposes of this Agreement and on the terms and conditions set forth in the Grant Agreements. The Bank shall furnish a copy of the Grant Agreements to the Donors.

4.2. The Bank shall be solely responsible for the supervision of Project activities financed under the Grant Agreements.

4.3. If, in the Bank’s opinion, an amount of the Contribution funds allocated to any of the expenditure categories specified in Annex 1 to this Agreement will be insufficient to finance the expenditures for such category, the Bank may reallocate to such category an amount of the Contribution funds then allocated to another category which, in the Bank’s opinion, will not be necessary to meet other expenditures. The Bank will notify the Donors of such a reallocation.

5. **Employment of Consultants**

The employment and supervision of consultants financed by the Contributions shall be the responsibility solely of the Bank and shall be carried out in accordance with its applicable policies and procedures. The Grant Agreement[s] shall provide that the Contributions shall be used by the Recipient[s] 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 the Grant Agreements.
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 Donor current financial information relating to the trust fund via the World Bank’s Trust Funds Donor Center secure website. 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 the trust fund will be made available to the Donor 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, 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 trust funds as a whole. The cost of such attestations 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 established under this 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.

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

7. **Review of Activities**

The Donor reserves the right to 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 will be borne by the Donor, unless otherwise agreed. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the trust fund.
8. **Coordination and Project Reporting**

8.1. 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 8.1, the Bank shall furnish to the Donors a final report on the Project activities.

8.2. The Bank shall promptly inform the Donors of any significant modification to the terms of the Grant Agreements and of any contractual remedy that is exercised by the Bank under the 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.

8.3 Subject to the consent of the Recipients, representatives of the Donors shall be invited to participate in Bank missions related to the Project.

9. **Disbursement Deadline; Cancellation; Refund**

9.1. It is expected that the Contribution funds will be fully disbursed by the Bank in accordance with the provisions of this Agreement by March 31, 2015. The Bank shall only disburse Contribution funds for the purposes of this Agreement after such date with the written approval of the Donors.

9.2. 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 Contribution funds 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.

9.3. Upon the final disbursement date specified in paragraph 8.1, the Bank shall return any remaining balance of the Contribution funds to the Donors on a pro rata basis based on each Donor’s paid Contributions. In the event of a cancellation of an individual Donor’s pro rata share of uncommitted Contribution funds in accordance with paragraph 8.2, the Bank shall return such cancelled balance to the Donor.

10. **Disclosure**

   The Bank may disclose this Agreement and information on this trust fund in accordance with the Bank’s policy on disclosure of information.