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 administered 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 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 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
Support schools and the Village Education Development Committees (VEDCs) through the provision of, *inter alia:* (i) textbooks, teachers' guides, pedagogical material; (ii) training to teachers, VEDC members, officials from District Education Bureau (DEB), Provincial Education Service (PES) and Ministry of Education (MOE) in pedagogical matters; (iii) scholarships for girls from ethnic groups to be qualified teachers for pre-primary schools; and (iv) technical assistance in the development of pedagogical material.

(c) Non-Formal Education

Provide educational services in areas where no primary school is accessible within a walking or boating distance of thirty (30) minutes, including *inter alia:* (i) primary equivalency education through mobile teachers; (ii) community-based school readiness programs; (iii) the development of teaching material; and (iv) training of teachers and pre-primary caregivers.

B. Stewardship of Education Sector at Local, Provincial and Central Levels (up to AUD 200,000)

(a) Program Management

Support the Education Sector Development Framework (ESDF) Coordination Unit in project management, conduct workshops, and carry out audits.

1.04.2 Bank Executed Activities

The Bank activities include incremental supervision of the recipient activities.

Section 1.05 The Grant shall be used to finance the following expenditure categories:

(a) Recipient Executed Activities: goods, consultants' services, sub-project grants, training and workshops, and incremental operating costs; and

(b) Bank Executed Activities: staff costs, extended term consultants, consultant fees, travel expenses, associated overheads and temporary staff costs.

For purposes of paragraph (a), the terms:

"incremental operating costs" means reasonable expenditures directly related to the Program incurred by the Lao People's Democratic Republic (which expenditures would not have been incurred absent the Program), including gasoline and maintenance for Program vehicles, staff travel and per diem, office supplies, communications services (including telephone and internet costs), publication services, translation services, bank charges, and maintenance of office equipment, but excluding civil service salaries of officials of the Lao People's Democratic Republic's civil service; and

"training and workshops" means training and workshops conducted in the territory of the Recipient, including purchase and publication of materials, rental of facilities, refreshments, consumables, course fees, and travel and subsistence of trainees.
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 AUD 9,016,000.
- On or before June 15, 2012 AUD 9,410,000.
- On or before January 1, 2013 AUD 2,754,000.

Section 2.02 When making each 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 from the Donor for TF071623 (Trust Fund for the Australian Support to the Lao People’s Democratic Republic for the EFA FTI Program) and the date of deposit. In addition, the Donor shall send a copy of its deposit instruction to the World Bank’s Accounting Trust Funds Division by email sent to “tfremitadvice@worldbank.org” or by fax sent to (202) 614-1315.

Article 3
Administrative Cost Recovery

Section 3.01 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 Grant by the Donor to the Trust Fund, deduct and retain for its own account an amount equal to two percent (2%) of the Contribution. In addition, costs for program administration will be charged to the Trust Fund on an actual basis up to a maximum of fifty thousand five hundred and seventy six Australian Dollars (AUD 50,576).

Article 4
Completion Date

Section 4.01 The Grant Funds may be used to finance expenditures for the Program commencing on the date of countersignature of this Agreement and ending on 30 September 2013. The Bank may make disbursements of the Grant Funds for up to six (6) months after such latter date for expenditures incurred on or before such date, in accordance with the Bank’s applicable policies and procedures.

Article 5
Cancellation

Section 5.01 Either party may, upon giving the other party three (3) months’ prior written notice, cancel that part, if any, of the Grant Funds provided under this Administration Agreement that the Bank has not committed prior to receipt of such notice under agreements entered into by the Bank with any third party, including any Grant Agreement. Upon such cancellation, and unless the parties hereto agree on another arrangement, the Bank shall credit the uncommitted balance of the Grant finds to the trust fund account specified in Section 9.01 of the Framework Agreement.

Article 6
Communications

Section 6.01 The offices responsible for coordination of all matters related to this Administration Agreement are:

For the Government of Australia: For the Bank:
Raine Dixon Suhas D. Parandekar
First Secretary and Head of AusAID Task Team Leader
Embassy of Australia - Vientiane Senior Education Economist
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: James /s/ Batley
Title: Deputy Director-General, AusAID

Date: 1/3/2011

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Deborah A. Bateman

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