Administration Agreement between the Government of Sweden, acting through its Ministry for Foreign Affairs, and the International Bank for Reconstruction and Development and the International Development Association concerning the Knowledge for Change Program III Multi-Donor Trust Fund (TF072635, parallel to TF072304)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Government of Sweden, acting through its Ministry for Foreign Affairs (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of one million United States Dollars (USD 1,000,000) (the “Contribution”) for the Knowledge for Change Program III Multi-Donor Trust Fund TF072635, parallel to TF072304 (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 “Knowledge for Change Program III 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.

3. The Donor shall deposit the Contribution in the currency specified in Section 1 above (“Contribution Currency”) into such bank account designated by the Bank promptly following countersignature of this Administration Agreement and submission of a payment request by the Bank.

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 TF072635, parallel to TF072304 (Knowledge for Change Program III 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. The Donor has stated its preference that the Contribution be used to finance “WDR 2017: Governance and the Law”. It is understood that the Bank cannot ensure that the Contribution will be used for such preference and that the Bank will not have any obligation to the Donor if such preference cannot be achieved.
6. 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”):

Elena Chi-Lin Lee  
Senior Program Officer  
Development Economics Vice-Presidency (DECVP)  
The World Bank  
1818 H St. NW  
Washington, DC 20433  
U. S. A.

Tel: +1(202) 458-2290  
Fax: +1(202) 522-1158  
E-mail: elee9@worldbank.org

For the Donor (the “Donor Contact”):

Inger Buxton  
Deputy Director-General  
Acting Head, Global Agenda Department  
Ministry for Foreign Affairs  
Fredsgatan 6  
SE-103 33 Stockholm  
Sweden

Tel: +46 8 405 1000  
Fax: +46 8 723 1176  
E-mail: inger.buxton@gov.se

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.

7. At the date of Bank’s signature of this Administration Agreement, the Indirect Rate (as defined in Annex 1 to this Administration Agreement) is 17%.

8. 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. Unless otherwise specified in an annex hereto, 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.
9. 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 BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By:                 Date: 6/13/2016

Kaushik Basu
Senior Vice President and Chief Economist

GOVERNMENT OF SWEDEN, acting through its
MINISTRY FOR FOREIGN AFFAIRS

By:                Date: 15/6 2016

Inger Buxton
Deputy Director-General
Acting Head, Global Agenda Department
ANNEX 1

**Knowledge for Change Program III 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: (a) generate high quality, cutting-edge, policy-relevant research and data on development economics to support government efforts toward poverty reduction and shared prosperity; (b) contribute to policy making in developing countries; and (c) enhance research and data collection capacity in developing countries.

2. **Activities**

The activities to be financed by the Trust Fund are:

(a) Research. Carrying out activities related to research, data collection and analysis on specific themes which may include, but are not limited to, the following:

   (i) *Service delivery and aid effectiveness*, particularly with respect to how to deliver “development” across multiple sectors including the public and private sectors.

   (ii) *Poverty and shared prosperity*, particularly with respect to measuring and monitoring poverty, and addressing issues related to economic growth and shared prosperity, including measuring and monitoring the bottom 40 percent of the population of each country.

   (iii) *Growth and job creation*, particularly with respect to understanding the dynamics of economic growth and job creation.

   (iv) *Fragility and risk management*, particularly with respect to challenges of fragile and conflict-affected situations and factors contributing to conflicts and violence, such as the cost of conflict in terms of growth and development, international policy and support to help break the cycles of conflicts, challenges and transitional issues of post-conflict economies and, more broadly, policies and institutions that contribute to enhance competitiveness in fragile states.

   (v) *International cooperation and global public goods*, particularly with respect to global issues such as regional and multilateral trade, climate change, environment security, international coordination of macroeconomic and financial policies, communicable disease, deforestation, biodiversity health and education.

   (vi) *Innovation in data production methods, analysis and dissemination*, particularly with respect to improving tools and guidelines for assessing open data readiness in client countries, improving survey capabilities, ensuring conceptual framework for economic statistics, harmonizing data sources, and developing and testing advanced methods of data analysis.
(b) **World Bank flagship reports.** Carrying out activities related to the preparation and publication of World Bank flagship reports, including but are not limited to, preparing background papers, collecting data, consulting with stakeholders, carrying out workshops, and disseminating reports. The World Bank flagship reports include the World Development Report, Global Monitoring Report, Doing Business Report and Global Prospect Reports.

(c) 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.

3. **Eligible Expenditures**

3.1 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 The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the World Bank’s Donor center secure website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

4. **Taxes**

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

5. **Governance Arrangements**

A Consultative Group will be established to: (i) provide oversight and strategic guidance and direction on the implementation of the activities financed by the Trust Fund; (ii) review and discuss the progress in the implementation of such activities; and (iii) discuss the long term strategy of the KCP.
The Consultative Group will be comprised of high level representatives of the Bank and a representative of each donor contributing to the Trust Fund. It is envisaged that the Consultative Group will meet annually. The meetings may be conducted virtually or physically. The Bank may invite other stakeholders to attend the meetings.

The Bank’s Internal Management Committee will be responsible for selecting proposals and identifying new research themes. The Internal Management Committee is comprised of representatives of the Development Economics Vice-Presidency and representatives of the Bank’s operational units.
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 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 of 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 Dollars (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 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 annual reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

4.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. 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 October 31, 2021 (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.