Minister Stephan Raes  
Economic Department  
The Royal Netherlands Embassy in Washington DC  
4200 Linnean Avenue, NW  
Washington, DC 20008

Subject: Trust Fund Administration Agreement between  
The Netherlands’ Minister for European Affairs and International Cooperation and the  
International Bank for Reconstruction and Development/  
The International Development Association  
Concerning the Asia Sustainable and Alternative Energy Program  
Multi-Donor Trust Fund (ASTAE-MDTF, TF No. 071646) Act. No. 22972

Dear Minister Raes:

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") that the Netherlands’ Minister for European Affairs and International Cooperation (the “Donor”) shall make available as a grant the sum of twelve million United States dollars (US$12,000,000) (the “Contribution”) for the Asia Sustainable and Alternative Energy Program Multi-Donor Trust Fund (the “Trust Fund”) in accordance with the terms of this Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.

The Contribution shall be used to finance the activities and the categories of expenditure set forth in the “Description of Activities, Expenditures and Governance Arrangements for the Asia Sustainable and Alternative Energy Program Multi-Donor Trust Fund” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement including the “Standard Provisions Applicable to the Asia Sustainable and Alternative Energy Program Multi-Donor Trust Fund” (the “Standard Provisions”) attached hereto as Annex 2.

The Donor shall deposit the Contribution into such bank account designated by the Bank in installments in accordance with the following schedule:

(a) promptly following countersignature of this Agreement by the Donor and submission of a payment request by the Bank, US$8,000,000, on or before July 2011;

(b) on or before July 2012, US$2,000,000 million and on or before July 2013 US$2,000,000 million following submission of a payment request by the Bank. Any subsequent installment will be deposited following receipt by the Donor of a payment request. The payment request will include, inter alia, the Donor's internal identification number and the Bank’s trust fund number. The payment request will be accompanied by an unaudited statement of receipts, disbursements and fund balance showing the trust fund cash balance to date and the projected expenditure for the next period of six (6) months, which will be consistent with the actual progress made in the implementation. For Bank-executed trust funds only, the payment request will also show the unliquidated obligations that are outstanding against the trust fund; and
(c) If actual deposits are to be adjusted because the Donor is of the opinion that the projected expenditure does not justify the amount requested, the Donor will inform the Bank within thirty (30) days after receiving the payment request.

When making each 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 TF No. 071646 (the Asia Sustainable and Alternative Energy Program Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instruction”). 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 (202) 614-1315.

Except as provided for in paragraph 4 above, any notice, request or other communication to be given or made under this Agreement shall be in writing and delivered by mail, facsimile 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:

Natsuko Toba  
Senior Economist  
Infrastructure Unit, Sustainable Development Department  
East Asia and Pacific Region  
The World Bank  
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For the Donor:

Napoleon Winia  
Senior Policy Advisor Energy  
Climate, Energy, Environment and Water Department  
Ministry of Foreign Affairs  
Bezuidenhoutseweg 67  
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E-mail: NAP.Winia@minbuza.nl

All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the Bank and the Donor; provided, however, those annexes may be amended only with the agreement of all donors contributing to the Trust Fund.
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

/s/ John Roome

John Roome
Director
Sustainable Development
East Asia and Pacific Region

AGREED:

FOR THE MINISTER FOR EUROPEAN AFFAIRS AND INTERNATIONAL COOPERATION
OF THE NETHERLANDS

By: /s/ Stephan Raes
07/11/2011

Minister Stephan Raes
Economic Department
The Royal Netherlands Embassy
Washington DC
Description of Activities, Expenditures and Governance Arrangements under the Asia Sustainable and Alternative Energy Program Trust Fund

This Annex shall be applicable to and form an integral part of all agreements entered into between the Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

Trust Fund Objective

The Trust Fund’s objective is to contribute to provide an efficient multi-year funding support to achieve the goals of the ASTAE, namely to scale up the use of sustainable energy solutions in Asia in order to reduce energy poverty and protect the environment.

Activities that may be financed under the Trust Fund

(a) Bank-Executed Trust Fund Activities may include:

(i) Analytical work and studies;
(ii) Capacity building, knowledge sharing, and dissemination;
(iii) Project preparation, implementation, restructuring, and evaluation;
(iv) Program management.

(b) Recipient-Executed Trust Fund Activities may include:

(i) Analytical work and studies, including feasibility studies;
(ii) Capacity building, knowledge sharing, and dissemination;
(iii) Project preparation, implementation and assessment.

B. CATEGORIES OF EXPENDITURE

The following will be considered eligible expenses to be financed under the Trust Fund.

(a) Bank-Executed activities:

(i) Associated overheads;
(ii) Consultants fees (including Short Term Consultants and Extended Term Consultants);
(iii) Contractual services;
(v) Media and workshop costs;
(vi) Staff Costs (including salaries, salary-related benefits and indirect expenses);
(vii) Temporary Staff costs;
(viii) Travel expenses related to the Trust Fund, incurred by regular Bank staff and the staff and consultants listed in paragraph[s] (ii), (vi), and (vii) above.
(b) **Recipient-Executed activities:**

(i) Works;
(ii) Goods;
(iii) Consultant Services;
(iv) Training and Workshops;
(v) Operating Costs.

The foregoing categories of expenditures may include the financing of taxes.

**C. GOVERNANCE ARRANGEMENTS**

1. The Donors will be regularly informed of the progress of implementation of the Trust Fund. The Trust Fund Manager will prepare an annual report on implementation progress for Donors to review.

2. The day-to-day operations of the Trust Fund will be conducted by the Trust Fund Manager appointed by the Bank who will be responsible for program delivery and ensuring effective communication with Donors.

3. Whenever the grant amount for a proposed activity exceeds the ceiling established in accordance with paragraph C.4 of this Annex, the Trust Fund Manager shall submit the proposal for such activity for approval on a “no comments” basis to each of those Donors who have confirmed in writing to the Trust Fund Manager that they wish to take part in such procedure on a standard basis. The procedure for the aforementioned no-comments approval is as follows: (a) each Donor shall have fifteen calendar days from the date of submission of the proposal to it by the Bank, to provide its written comments to the Fund Manager; (b) any Donor who does not respond within said time period is considered to have approved the proposal; (c) The Fund Manager shall make best efforts to take any Donor comments received within said time period, into account; (d) Absent receipt by the Bank of any written objection by a Donor within said time period, a proposal shall be deemed to be approved by the Donors.

4. The ceiling amount referenced in paragraph C.3 of this Annex shall be agreed on a yearly basis between the Donors and the Trust Fund Manager (during the Consultative Group meeting for the Energy Trust Funded Programs). Absent agreement on a new ceiling, the ceiling lastly established shall continue to apply.
ANNEX 2

Standard Provisions Applicable to the Asia Sustainable and Alternative Energy Program Multi-Donor Trust Fund

This Annex shall be applicable to and form an integral part of all agreements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

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 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 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 Donor acknowledges 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 the Donor, nor shall it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

2. Commingling, Exchange and Investment of the Contributions

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

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

2.3. The Bank shall invest and reinvest the Contributions 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 to be used for the same purposes as the Contributions.

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 deduct and retain for its own account an amount equal to two percent (2%) of each Contribution. In addition, costs for program management and supervision as defined in Annex 1 up to seven percent (7%) of the Contributions will be charged to the Trust Fund on an actual basis.
4. **Grants to Recipients**

4.1. The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into grant agreements (the "Grant Agreements") with eligible recipients (the "Recipients") consistent with the purposes of this 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. Upon request by a Donor, the Bank shall furnish a copy of the Grant Agreements to the Donors.

4.2. The Bank shall be responsible for the supervision of the activities financed under the Grant Agreements. Subject to the consent of the relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

4.3. 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.

5. **Procurement**

5.1. For Recipient-executed activities, the Grant Agreements shall provide that the Contributions shall be used by the Recipients 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 entry into the respective Grant Agreements.

5.2. For Bank-executed activities, the employment and supervision of any consultants and the procurement of any goods financed by the Contributions shall be the responsibility of the Bank and shall be carried out in accordance with its applicable policies and procedures.

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 there from.

6.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund 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 of the Trust Fund with respect to the Contributions will be made available to the Donors 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, 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.
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, 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 paid by the requesting Donor.

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

7. Progress Reporting

7.1. 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 8.2, the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

7.2. Any Donor may 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 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.

8. Disbursement; Cancellation; Refund

8.1. The Contributions may be used to retroactively finance payments for eligible expenditures in accordance with the Bank’s policies and procedures.

8.2. It is expected that the Contributions will be fully disbursed by the Bank by June 30, 2015. The Bank shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.

8.3. 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 Contributions 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.

8.4. Following the final disbursement date specified in paragraph 8.2, the Bank shall return any remaining balance of the Contributions to the Donors or to the relevant Donor Balance Account on a pro rata basis based on the Donors’ paid Contributions. In the event of a cancellation the Bank shall promptly return to the relevant Donor or Donors or to the relevant Donor Balance Account the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 8.3.

9. Disclosure

The Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, Donors consent to disclosure of this Agreement and related information on this Trust Fund.