Administration Agreement between Sweden, acting through the Swedish International Development Cooperation Agency, and the International Bank for Reconstruction and Development and the International Development Association concerning the Consultative Group to Assist the Poor (CGAP) V Multi-Donor Trust Fund (TF 072273)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that Sweden acting through the Swedish International Development Cooperation Agency (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of thirty-three million Swedish Krona (SEK 33,000,000) (the “Contribution”) for the Consultative Group to Assist the Poor (CGAP) V Multi-Donor Trust Fund (TF 072273) (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 “CGAP V 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 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) Promptly following countersignature, fifteen million Swedish Krona (SEK 15,000,000).
(B) By November 30, 2015 six million Swedish Krona (SEK 6,000,000).
(C) By November 30, 2016 six million Swedish Krona (SEK 6,000,000).
(D) By November 30, 2017 six million Swedish Krona (SEK 6,000,000).

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 TF072273 (the “CGAP V 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”):

Ousa Sananikone
Senior Private Sector Development Specialist
CGAP
The World Bank
1818 H Street, NW, MSN P 3-300
Washington, DC 20433 USA

Tel: +1 202-473-3218
Fax: +1 202-522-3741

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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. 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.

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 BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ___________________________ Date: 12-1-2014

Sebastian Molineus
Acting Senior Director
Finance and Markets Global Practice

SWEDEN, ACTING THROUGH THE SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

By: ___________________________ Date: 12-04-2014

Kerstin Jonsson Cisse
Head of Global Programs Unit
CGAP V Multi-Donor Trust Fund Description

This Annex shall be applicable to 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 Consultative Group to Assist the Poor (CGAP) is a global partnership of organizations that seek to advance financial inclusion for the poor. CGAP develops innovative approaches to address barriers to financial inclusion through practical research and active engagement with financial service providers, policy makers and partners.

The objective of the Trust Fund is to support the implementation of CGAP’s strategy for FY2014-FY2018 (“CGAP V”) which aims to improve the lives of poor people by spurring innovations, advancing knowledge and disseminating best practices that promote responsible and inclusive financial markets.

CGAP V focuses on supporting progress in the following priority areas:

(1) Understanding demand to effectively deliver for the poor
(2) Advancing financial innovation for smallholder families
(3) Developing robust provider ecosystems
(4) Establishing an enabling and protective policy environment globally
(5) Promoting effective and responsible funding for financial inclusion.

2. Activities

The activities to be financed by the Trust Fund are:

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

(a) Understanding Demand to Effectively Delivery for the Poor (CGAP V – Priority Area 1)

Carry out activities to better understand the financial needs of poor people and how financial service providers can improve financial products and service delivery for poor customers. Specific activities may include, but are not limited to, conducting surveys and research; partnering with select financial service providers to understand and develop best practice customer-centric approaches; disseminating technical tools and guidance for financial service providers; and building and launching a community of practice learning platform on customer-centric approaches to financial products and services for poor customers.

(b) Advancing Financial Innovation for Smallholder Families (CGAP V – Priority Area 2)

Conduct surveys and research on smallholder families’ demand for financial services, and provide technical support to financial service providers to develop tailored financial services products particularly using technology to lower delivery costs.

(c) Developing Robust Provider Ecosystems (CGAP V – Priority Area 3)
Facilitate knowledge sharing and provide technical assistance to policymakers and financial service providers as they develop efficient technology-enabled payment systems and identify policy barriers to innovation.

(d) Establishing an Enabling and Protective Policy Environment (CGAP V – Priority Area 4)

Support increased understanding of the interdependence of financial inclusion, financial stability, financial integrity and financial consumer protection among policymakers globally and at the country level that enables an environment for responsible and inclusive financial markets. Specific activities may include, but are not limited to, conducting surveys and research, disseminating evidence from emerging market and developing economies to inform policymakers when setting standards, and providing guidance to country-level policymakers, global standard-setting bodies and emerging global actors.

(e) Promoting Effective and Responsible Funding for Financial Inclusion (CGAP V – Priority Area 5)

Support the preparation of guidance for donors to play a catalytic role in market development through effective and responsible funding for financial inclusion. Specific activities may include, but are not limited to, conducting surveys and research, preparing publications and guidance, disseminating best practices and tools, designing and delivering training, workshops and seminars, and measuring inclusive financial market development and the level of donors’ contributions to such development.

(f) Knowledge Sharing and Outreach Activities

Support the dissemination of knowledge products by implementing and managing an integrated communications platform, including the Microfinance Gateway website, and strategic communications approaches and channels including, but not limited to publications, blogs, multimedia, live presentations, and online events.

(g) Coordination, Administration, Monitoring, Learning and Evaluation and Other Activities

Carry out activities to support the coordination and administration of the activities financed by the Trust Fund. Specific activities may include, but are not limited to, managing the CGAP Operational Team, developing and implementing a monitoring, learning and evaluation framework, implementing a mid-term evaluation of the program, preparing other periodic progress reports of the program, organizing meetings for the governance of CGAP, carrying out donor relations activities, training and other meetings for Operational Team staff.

2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility:

(a) Provide grants to selected Recipients to support implementation of CGAP V in accordance with the Bank’s applicable policies and procedures.

3. Eligible Expenditures

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

(a) Associated overheads
(b) Short term consultant costs - with indirect costs
(c) Consultant fees for firms
(d) Contractual services
(e) Equipment and office premises lease costs
(f) Extended term consultants - with indirect costs
(g) Staff costs - with indirect cost:
(h) Media, workshops, conference and meetings
(i) Field assignment benefits
(j) Temporary support staff costs - with indirect costs
(k) Travel expenses

3.2 For Recipient-executed activities, the Trust Fund funds may be used to finance eligible expenditures in accordance with the Bank’s applicable policies and procedures

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.

5. **Governance**

The Trust Fund is governed by the terms of this Administration Agreement and the CGAP charter which was adopted on May 14, 2014, as such charter may be amended from time to time in accordance with its terms (the “CGAP Charter”). The current charter for CGAP is provided as Attachment 1 to this Annex 1 for informational purposes only. Any amendments to the CGAP Charter, made in accordance with its terms, will become applicable to this Administration Agreement as such amendments take effect without further need to amend this Administration Agreement; provided that, in the event of any conflict with other parts of Administration Agreement, the terms of this Administration Agreement shall prevail.
INTRODUCTION

1. The Consultative Group to Assist the Poor (CGAP) is a global partnership of organizations that seek to advance financial inclusion for the poor. CGAP develops innovative solutions to address barriers to financial inclusion through practical research and active engagement with financial service providers, policymakers, and funders.

2. Established in 1995, CGAP initially played a critical role in building a sustainable microfinance industry, facilitating consensus around good practice standards and helping to professionalize the field. Starting in the mid-2000s, CGAP focused on promoting a diversity of financial services and providers, and in particular technology and business model innovations that have the potential to dramatically increase the scale and lower the costs of financial services for poor people.

3. Today, CGAP is a leading global resource on financial inclusion for the poor. CGAP acts through high-level advocacy, research and knowledge sharing on client demand, support for product and business model innovation, policy advice, and guidelines and standards for donor effectiveness.

4. CGAP pursues a global solutions agenda through a portfolio of high-impact initiatives that evolve over time to adapt to changing market developments. CGAP’s work on frontier issues crowds-in private, social, and public sector entities and reflects the two central purposes of subsidized catalytic capital in the promotion of inclusive market development: (i) the generation of open knowledge, open data, and related practical insights of a public good nature, and (ii) private and public sector experimentations that demonstrate viable product and business model innovations.

5. CGAP is guided by five-year strategic frameworks. Its current five year framework, Advancing Financial Inclusion to Improve the Lives of the Poor, Strategic Directions FY2014 – FY2018 (CGAP V), was endorsed in May 2013 by CGAP’s Council of Governors.

6. CGAP is supported by more than 30 member organizations including government ministries, bilateral and multilateral development agencies, development finance institutions and foundations committed to advancing financial access for the poor. CGAP is housed in the World Bank and is funded through member contributions to trust funds administered by the World Bank.

7. CGAP’s governance structure comprises a Council of Governors, an Executive Committee, and an Operational Team.

CGAP COUNCIL OF GOVERNORS

8. The Council of Governors (“CG”) is CGAP’s highest governing body. The CG is chaired by the World Bank and meets in person at least once per year as part of the “CGAP Annual Meeting”. The CGAP Annual Meeting is the venue for discussion of CG business matters, and for exchange on developments and key challenges related to CGAP’s strategic priorities.
Membership in the CG includes the World Bank and is open to organizations that support CGAP’s vision and mission statements. Organizations may become CG members by contributing unrestricted funding to CGAP trust funds that support the implementation of the applicable five year strategic framework ("Core Funding"). On an exceptional basis and subject to the approval of the CG:

(a) CG members that express their intention to contribute Core Funding may remain CG members provided their contribution is made effective within a reasonable period.
(b) Organizations may become CG members by providing in-kind contributions in support of the work plan and budget of the Operational Team (described below).
(c) A government organization providing Core Funding can form a consortium ("Consortium") with other national or international organizations supported by the same government, in which case the Consortium will be the CG member.

Each CG member appoints a representative to the CG ("CGAP Focal Point") and confirms, on an annual basis or as needed in case of changes, to the Operational Team the name and contact information of its CGAP Focal Point.

CG members not meeting the requirements of paragraph 9 are expected to resign by way of communication to the Operational Team.

Roles and Responsibilities

The CG approves:

(a) CGAP five-year strategic frameworks.
(b) Operational Team annual work plans and budgets.
(c) CG members.
(d) Changes to the Executive Committee (described below) constituency composition.
(e) At-large Executive Committee members.
(f) Minutes of the CGAP Annual Meeting.
(g) "Targeted Funding" (described below) from CG members already meeting the Core Funding membership requirement.
(h) Amendments to this Charter, subject to provisions set out in section “Other”.

The CG:

(a) participates in the recruitment of the Chief Executive Officer (described below) by providing inputs to the World Bank through the Executive Committee Chair (described below) on the terms of reference for the Chief Executive Officer position and providing feedback on the shortlist of candidates and final candidates.
(b) provides inputs to the Operational Team on annual work plans and budgets, including on opening and closing of offices.

Decision-Making

Documents and other decision materials for CG approval are prepared by the Operational Team. The CG endeavors to make all decisions by consensus. If all practical efforts made do not lead to consensus, the CG Chair may call for a vote. Decisions put to a vote are made on the basis of a simple majority of the full CG, provided that such decisions:

(i) do not conflict with terms of the administration agreements between CG members and the World Bank as trustee of CGAP trust funds;
(ii) must be made with the agreement of the World Bank to the extent they relate to the roles and responsibilities performed by the World Bank; and
(iii) do not conflict with the policies and procedures of any CG member organization. Each CG member has one vote in decisions made by the CG. The member organizations of the Consortium share one vote.

15. Decisions can be made both in person, including by video or audio, at the CGAP Annual Meeting or other CG meeting, or electronically on a non-objection basis. If a CG member is unable to send a representative to a meeting at which a decision is being considered for approval, that CG member may provide inputs, including a vote if applicable, electronically or by telephone at the time of the meeting. The Operational Team will make arrangements for such inputs and/or votes to be reflected in the final decision.

**EXECUTIVE COMMITTEE**

16. The Executive Committee (ExCom) advises, supports the work of, and is accountable to the CG. It serves as the communications link between CG members and the Operational Team.

17. The ExCom meets in person three times per year, once in conjunction with the CGAP Annual Meeting. The ExCom Chair may call additional meetings as necessary. All ExCom members are eligible to vote on ExCom matters.

18. ExCom members will not be compensated for their time, but costs associated with At-Large ExCom member attendance at ExCom, CG meetings and other meetings (travel, hotel, per diem) will be covered by CGAP trust fund resources allocated for that purpose.

**Membership**

19. **Composition.** The ExCom has eleven members: one representative for each of the five constituencies (see para 20 below), four At-Large selected as individuals based on technical knowledge and leadership in CGAP strategic priorities; one representative of the World Bank; and the Chief Executive Officer as ex-officio. All ExCom members are expected to be recognized experts in the area of financial inclusion and to act in a manner consistent with CGAP's vision and mission.

20. **Constituency Representation.** CG members are represented on the ExCom according to constituencies. There are five constituencies based on organization type to which CG members are assigned: two for bilateral donor organizations, one for development finance institutions, one for foundations and one for multilateral organizations. Individual member organizations of a Consortium are assigned to a constituency based on their organization type. However, no more than one member organization of a given Consortium may serve on the ExCom at any given time. The number and composition of constituencies may change from time to time reflecting changes in CG membership.

21. **Constituency Representative Selection:** ExCom members representing constituencies are selected from among members of the given constituency, through a nomination and election process initiated by the ExCom Chair and supported by the Operational Team. Decisions on ExCom members are by consensus if possible, and if not, by simple majority vote of the full constituency.

22. **At-Large Member Selection:** At-Large members are elected by the CG. The process for nominating candidates for At-Large membership is initiated and led by a nomination committee comprising the ExCom Chair and three to five CG members selected by the ExCom Chair in consultation with the full ExCom. The nomination committee undertakes broad consultation with the CG and industry experts and solicits names of potential candidates. The nomination committee conducts due diligence on the most promising candidates and nominates to the CG one candidate per open At-Large ExCom seat.

23. **Member Terms:** ExCom member terms are three years beginning on July 1 following selection. All ExCom members are eligible to serve a succeeding two year term. Elected ExCom members must be re-elected to such succeeding term. In exceptional circumstances, the CG may approve an extension of an
ExCom member's term for up to one additional year. If an elected ExCom member is unable to serve a full term, the ExCom Chair will initiate the process of selection of that member's successor. The term of the newly selected ExCom member will be the period from the date of selection to the end of the term of their predecessor plus three years starting July 1 after their selection. ExCom membership is not transferrable.

24. ExCom members are expected to be willing and able to serve their applicable term and to dedicate sufficient time to fulfill ExCom roles and responsibilities.

Roles and Responsibilities

25. The ExCom provides recommendations to the CG for approval of:

   (a) CG members.
   (b) Changes to the ExCom constituency composition.
   (c) At-Large ExCom member selection.
   (d) Targeted Funding from members already meeting the Core Funding membership requirement.
   (e) Amendments to this Charter.

26. The ExCom:

   (a) Provides strategic guidance to the CG, the CEO and the Operational Team on five year strategic frameworks and Operational Team annual work plans and budgets.
   (b) Reviews the Operational Team’s delivery of the approved annual work plan and budget.
   (c) Reviews implementation of the results framework for the applicable five-year strategy.
   (d) Commissions a mid-term evaluation of CGAP’s performance against CGAP’s applicable five-year strategy and other external evaluations as appropriate.
   (e) Provides inputs to the World Bank on the performance review of the CEO.
   (f) Undertakes other tasks as requested by the CG.

Decision-Making

27. ExCom members representing constituencies consult with their constituency members on matters requiring CG decision. The ExCom endeavors to make all decisions by consensus. If all practical efforts made do not lead to consensus, the ExCom Chair may call for a vote. Decisions put to a vote can be made on the basis of a simple majority of the full ExCom. Each ExCom member has one vote on decisions made by the ExCom.

28. Decisions can be made both in person at ExCom meetings, including by video or audio, or electronically on a non-objection basis. If an ExCom member is unable to attend a meeting at which a decision is being considered for approval, that member may provide inputs, including a vote if applicable, electronically or by telephone at the time of the meeting. The Operational Team will make arrangements for such inputs and/or votes to be reflected in the final decision.

ExCom Chair

29. The ExCom Chair is selected by, and from among its members. The ExCom Chair facilitates fulfilment by ExCom of its roles and responsibilities.

Roles and Responsibilities

30. The ExCom Chair:
(a) Convenes and chairs ExCom Meetings.
(b) Represents the ExCom at the CGAP Annual Meeting, issuing notices and updates to the CG as necessary.
(c) Determines agenda for ExCom meeting with support from the Operational Team.
(d) Leads ExCom member election processes with the support from the Operational Team.
(e) Liaises with the World Bank, on behalf of the ExCom and CG, on the recruitment of the CEO.
(f) Coordinates on behalf of the ExCom and the CG, input to the World Bank on the annual performance review of the CEO.

**OPERATIONAL TEAM**

31. CGAP’s Operational Team is responsible for preparation and implementation the approved annual work plan and budget. Operational Team staff members, including the Chief Executive Officer are staff of the World Bank subject to World Bank’s policies and procedures. They are technical and administrative professionals recruited on the basis of expertise relevant to CGAP. The Operational Team is supervised on a day-to-day basis by the CGAP Chief Executive Officer and is headquartered at the World Bank’s offices in Washington, DC. It also has an office at the World Bank’s Paris office.

**Roles and Responsibilities**

32. The Operation Team prepares all documents and other decision materials for CG approval and implements related CG decisions as appropriate, including:

(a) CGAP five year strategic frameworks.
(b) Operational Team annual work plans and budgets.
(c) CG members.
(d) Changes to the ExCom constituency structure.
(e) Selection of At-Large ExCom members.
(f) Minutes of the CGAP Annual Meeting.
(g) Acceptance of Targeted Funding.
(h) Amendments to this Charter.

33. The Operational Team:

(a) Prepares CGAP’s Results Framework
(b) Provides periodic status reports to the CG on implementation of annual work plan and budget and Results Framework.
(c) Handles requests for new CG membership.
(d) Maintains CG member list and follows-up with CG members on their contributions.
(e) Prepares CG member contribution table for review and recommendation by ExCom to the CG for approval of CG members.
(f) Provides administrative support to the CG and the ExCom including coordination of in person and virtual meetings, developing agenda for CG and ExCom meetings, handling no-objection and decision-making processes, documenting decisions, maintaining records of CG and ExCom business.
(g) Organizes and coordinates meetings and workshops from time to time for members and other participants, to discuss the broader financial inclusion agenda and strategies.
(h) Undertakes other tasks as required by the CG and/or the ExCom.

**Chief Executive Officer**

34. The CEO provides intellectual leadership for CGAP and manages the day-to-day operations of the Operational Team including strategy development, planning and implementation, budget and human
resources management and resource mobilization. The CEO is recruited to a Director position within the World Bank, reports to the World Bank and is accountable to the ExCom.

35. Recruitment of the CEO is through a competitive process organized by the World Bank under its policies and procedures, with inputs from the CG as per para 13. The ExCom Chair works closely with the World Bank during the recruitment process and serves as the interlocutor between the CG and the World Bank.

36. The CEO is appointed for a term of four years. Based on performance reviews in accordance with the World Bank's human resource policies and procedures, which shall include inputs from the ExCom Chair representing the ExCom, the CEO's four year term appointment may be extended for a second four-year term (such extension to be granted no less than six months prior to the end of the initial term). No additional term extension is possible without a new recruitment process.

CGAP TRUST FUNDS

37. The World Bank serves as financial administrator ("Trustee") of trust funds established by the World Bank to support CGAP activities. CG members contribute Core Funding to CGAP trust funds through administration agreements/arrangements entered into between the World Bank and CG members. Organizations providing Core Funding may also provide funding for specific activities or areas of the applicable five year strategic framework ("Targeted Funding") subject to the approval of the CG and the Trustee.

38. The Trustee holds in trust and administers the funds, assets and receipts that constitute the CGAP trust funds in accordance with the terms of the administration agreements/arrangements entered into with the CG members with respect to their contributions.

OTHER

39. Nothing in this Charter shall be considered a waiver of, or impair or limit, any privileges or immunities of any CG members including the World Bank under their respective Articles of Agreement or any applicable law, all of which are expressly reserved.

40. This Charter may be adopted or amended by the CG by consensus. Any amendments to this Charter will become applicable to the administration agreements/arrangements without further need to amend the administration agreements/arrangements, provided that such amendments do not conflict with other terms of the administration agreements/arrangements or World Bank policies and procedures.
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 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 re-invest 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. **Trust Fund Fees and Costs**
3.1 The Bank shall deduct and retain for its own account, as a deduction from each Installment, an amount equal to two percent (2%) per installment as an administrative fee for the Trust Fund.

3.2 In addition, costs incurred by the Bank for other expenses, such as for program management and Trust Fund administration, that are (i) not covered by the percentage deduction specified above as an administrative fee and (ii) not included under Annex I of the Administration Agreements in accordance with the Bank’s applicable policies and procedures shall be charged to the Trust Fund on an actual basis up to a maximum of three percent (3%) of the total Contributions under all Administration Agreements.

3.3 Each Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated or the basis of anticipated Contributions. If actual Contributions significantly differ from what was originally anticipated at the time of signature of the first Administration Agreement, or if other circumstances affecting Trust Fund fees or costs change, the Bank reserves the right to request a change to the terms of this Trust Fund Fees and Costs section, which would be effectuated by amendments made to the Administration Agreements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under new Administration Agreements.

4. **Accounting and Financial Reporting**

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

4.2 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.

4.3 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.

4.4 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.

4.5 The Bank shall make available to the Donors copies of all financial statements and auditors’ reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank’s Access to Information Policy.

5. **Progress Reporting**
5.1 The Bank shall provide the Donors with semi-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.

5.2 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.

6. **Disbursement; Cancellation; Refund**

6.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by June 30, 2019 (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.

6.2 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.

7. **Disclosure; Dispute Resolution**

7.1 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.

7.2 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.

8. **Grants to Recipients**

8.1 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.

8.2 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.
8.3 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.