Minutes of Joint Meeting of the Executive Directors of the Bank and IDA,
and the Board of Directors of IFC,
held in the Board Room on Tuesday, June 12, 2012, at 10:06 a.m.

1. There were present:

CHAIR:

C.D. Anstey, Managing Director

EXECUTIVE DIRECTORS AND ALTERNATES ACTING AS EXECUTIVE DIRECTORS:

I. Alturki (Alternate)  M.S. Kayad (Alternate)
D. Bohan (Alternate)  B. Lvin (Temporary Alternate)
E. Bonaccorsi di Patti (Temporary Alternate)  R. Mokate
A. Brandt  S. Moohead
I.-K. Cho (Alternate)  M.-L. Morin
V. Daza Foronda (Alternate)  M.N. Prasad
S. Dib (Alternate)  I. Solomon
J. Frieden  R. Studart
M. Garcia  H.A. Taha
B. Han (Alternate)  Y. Takamura (Alternate)
M. Hasan  A. Touret-Blondy (Alternate)
I. Hoven  R. Treffers
K. Huber

ALTERNATES NOT ACTING AS EXECUTIVE DIRECTORS:

A. Alkaffas  D. Kalyalya
K. Aminul Islam  M. Muhtar
J.J. Bravo  S. Nanu
V. Dhanpaul  W. Rissmann
J. Haarlov  W. Szczuka
S. James
OFFICERS AND STAFF PARTICIPATING:

J. Familiar, Vice President and Corporate Secretary
A.-M. Leroy, Senior Vice President and Group General Counsel, LEGVP
I. Andersen, Vice President, MNAVP
R. Kyte, Vice President, SDNVP
P. Le Houerou, Vice President, ECAVP
S. Pradhan, Vice President, WBIVP
A. van Trotsenburg, Vice President, CFPVP
C. Bruce, Director, AFRVP
N.S. Gray, Director, MNC01*
P. Harrold, Director, ECCU5*
J.D. Lewis, Director, PRMED
R.S. Canagarajah, ECSP2
Y. El-Gammal, MNSHD
S. Kahkonen, ECSP2
E. O'Hallaran, MNC01*
C. Pauna, ECSP2*
N. Poupard, MNSSP
F. Rantrua, ECCRO*
J. Waite, MNSHE
J. Franks, IMF
D. Guillaume, IMF
T. Duson, Corporate Secretariat

*Via Videoconference

Global Partnership for Social Accountability and Establishment of a Multidonor Trust Fund

Further to the April 6, 2012 meeting, Management submitted to the Executive Directors for their consideration the President's Memorandum and report entitled "Global Partnership for Social Accountability and Establishment of a Multidonor Trust Fund" (R2012-0063/1[IDA/R2012-0080/1], dated May 18, 2012). The Executive Directors approved the recommendation in paragraph 8 of the President's Memorandum and outlined in the report, as revised, and adopted the Resolution in Attachment 1 of the President's Memorandum:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

RESOLUTION NO. IBRD 2012-0002
RESOLUTION NO. IDA 2012-0001

Establishment of a Multidonor Trust Fund for Global Partnership for Social Accountability

WHEREAS:

(A) the Executive Directors of the International Bank for Reconstruction and Development ("IBRD") and the Executive Directors of the International Development Association ("IDA") (IBRD and IDA, collectively, the "Bank") agree that it is desirable to promote the purposes of the Bank by establishing a Global Partnership for Social Accountability Trust Fund (the "Trust Fund" or "GPSA"), administered by the Bank, in order to provide grant funding for: (i) capacity building, research and knowledge dissemination, networking, and programmatic activities related to social accountability, including activities supporting the enabling environment for social accountability; and (ii) efforts to improve development effectiveness through social accountability approaches.
to civil society organizations ("CSOs")1/ in member countries of IBRD and IDA, member countries in non accrual status and in non-members for which the Executive Directors shall have determined that assistance from IBRD or IDA or both is in the interests of the membership as a whole; and

(B) the Bank is prepared to establish the Trust Fund, to be trustee thereof (in such capacity, the "Trustee"), and to administer it on the terms and conditions set forth in this Resolution;

NOW, THEREFORE, it is hereby resolved that:

1. The Trust Fund is hereby established as a multidonor trust fund ("MDTF") of the Bank, constituted from the funds that shall, from time to time, be contributed in accordance with the provisions of this Resolution, and any other assets and receipts of the Trust Fund.

2. The Trustee is authorized to accept contributions to the Trust Fund from the Bank in its capacity as a donor to the Trust Fund and from donors other than the Bank (collectively, "Contribution Funds") for the general purposes of the Trust Fund on terms to be agreed between the Trustee and each donor. The Trustee shall enter into a Trust Fund Administration Agreement with each donor other than the Bank (the "Administration Agreement"), in form and substance satisfactory to the Trustee, whereby each donor shall agree to pay its contribution to the Trust Fund in accordance with the terms of this Resolution. In order to assist the Trustee in defraying costs and expenses of administering the donor contribution, the Trustee shall deduct and retain, for its own account, from each donor contribution an amount consistent with the Bank's policy on cost recovery for trust funds. The Trustee shall not charge an administrative cost recovery fee on the Bank contributions to the Trust Fund. Contributions to the Trust Fund shall be denominated in United States dollars "or any other currencies acceptable to the Trustee, provided, however, that the Trustee shall, upon receipt, convert contributions made in currencies other than in United States Dollars into United States Dollars for the purposes of the Trust Fund.

3. The Trustee shall hold and administer all Contribution Funds, assets, and receipts in trust for grants to civil society organizations in member countries of IBRD and IDA and in nonmembers for which the Executive Directors shall have determined that assistance from IBRD or IDA or both is in the interests of the membership as a whole. The Trustee shall manage and use the Contribution Funds, assets, and receipts only for the purposes of, and in accordance with the provisions of, this Resolution.

4. In accordance with the Bank's policies and procedures, the Trustee shall keep the Contribution Funds, assets, and receipts separate and apart from all other accounts and assets of the Bank. However, the Trustee may commingle the Contribution Funds with other trust fund assets maintained by the Bank, and such Funds may, at any time, be freely exchanged by the Trustee into other currencies to facilitate their administration and disbursement.
5. The Trustee is authorized to use the Contribution Funds to finance the Secretariat costs of administering the trust fund, managing grants, knowledge management activities, and to make grants directly from the Trust Fund in accordance with the Bank’s applicable policies and procedures including those relevant to governance and anti corruption, 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, and with the terms of this Resolution to support the following broad objectives:

(a) contribute to country-level governance reforms; and
(b) improve service delivery by strengthening the capacity of CSOs at global, regional, and country levels to undertake evidence-based social accountability.2/

All such grants shall be made subject to the review and clearance of the relevant Director or Regional Vice President and decision of the Secretariat to submit, along with any peer review comments, for no objection by the GPSA Steering Committee, a committee comprising representatives from the Bank, member countries, civil society, and donors to the Trust Fund, and in accordance with the Bank’s relevant policies and procedures. The GPSA Steering Committee shall make decisions on the basis of consensus.

6. For grants made directly from the Trust Fund to eligible grant recipients, the Trustee shall enter into a grant agreement with each recipient setting forth the terms and conditions on which such grant shall be provided ("Grant Agreement"). Eligible grant recipients shall include civil society organizations that meet the eligibility criteria of the GPSA. The Trustee shall be solely responsible for the supervision of activities financed under the Grant Agreements.

7. Except as the Trustee may otherwise agree, the Grant Agreements shall provide that the recipients will use Contribution Funds to finance eligible activities in accordance with the World Bank’s "Guidelines on Procurement under IBRD Loans and IDA Credits," "Guidelines on the Selection and Employment of Consultants by World Bank Borrowers," and "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants" that are in effect at the date of the Grant Agreements. Costs related to the Secretariat, managing grants, and knowledge management activities may include staff (direct and indirect costs), temporary staff, and consultant costs (including short term and extended term consultant fees), equipment and office lease, as well as contractual services, travel expenses, media and workshop costs, and associated overheads.

8. The Trustee shall promptly inform the donors of any significant modification to the Grant Agreements and of any contractual remedy that the Trustee exercises under the Grant Agreements.

9. The Trustee shall provide the donors to the Trust Fund with copies of all financial statements and auditors' reports received by the Trustee from recipients financed directly from the Trust Fund pursuant to the Grant Agreements upon request. The Trustee shall furnish a copy of each Grant Agreement to the donors upon request.
10. The Trustee shall establish and maintain appropriate records and accounts to identify the resources of the Trust Fund, commitments financed out of the Trust Fund, and the receipts and disbursements of Contribution Funds in the Trust Fund.

11. Pending the disbursement of Contribution Funds from the Trust Fund, the Trustee shall invest the Contribution Funds held in the Trust Fund in such manner as the Trustee may decide, in accordance with the criteria for the investment of trust funds administered by the Bank. All the income from such investment shall be credited to, and used exclusively for the purposes of, the Trust Fund.

12. The Trustee shall furnish to the donors current financial information relating to receipts, disbursements and fund balance with respect to the Contribution Funds 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 with respect to the Contribution Funds will be made available to the donors via the World Bank’s Trust Funds Donor Center secure website.

13. The Trustee 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 Trustee. The Trustee shall also, as soon as practical after the end of each fiscal year of the Bank, furnish to the donors a report on the activities directly financed from the Trust Fund.

14. 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 Resolution, the donor and the Trustee shall first consult as to whether such an external audit is necessary. The Trustee and the donor shall agree on the most appropriate scope and terms of reference of such an audit. Following agreement on the scope and terms of reference, the Trustee shall arrange for such external audit. The costs of any such audit, including the internal costs of the Trustee with respect to the audit, shall be paid by the donor.

15. Any Trust Fund donor or the Trustee 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 Trustee and any consultants and/or other third parties for the purposes of this Resolution, including the Grant Agreements prior to the receipt of such notice.

16. The Trustee shall be responsible only for performing those functions specifically set forth in this Resolution. The Trustee shall not be subject to any other duties or responsibilities to the donors to the Trust Fund, including without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. The privileges and immunities accorded to the Bank shall apply to the property, assets, archives, operations and transactions of the Trust Fund.
17. On the termination of the Trust Fund pursuant to paragraph 18 of this Resolution, except as the Trustee and the donor may otherwise agree in each respective Administration Agreement, undisbursed funds of the Trust Fund shall be forthwith transferred to the Bank and to other donors on a pro rata basis.

18. The functions of the Bank as Trustee shall terminate, except for action necessary for winding up the activities of the Trust Fund in an orderly and expeditious manner, at such time as the Executive Directors of the Bank may decide.

19. This Resolution shall become effective as of the date of its adoption by the Executive Directors.

1/ For the purpose of this Resolution, CSOs include legal entities that fall outside the public or for-profit sector, such as nongovernmental organizations (NGOs), not-for-profit media organizations, charitable organizations, faith-based organizations, professional organizations, labor unions, associations of elected local representatives, foundations, and policy development and research institutes.

2/ For the purpose of this Resolution, the term "social accountability" means activities that can be undertaken or financed consistently with the Bank's mandate and legal and policy framework including the Governance and AntiCorruption Strategy and the Guidance Note on the Bank's Multi Stakeholder Engagement, are directed at monitoring of the effectiveness of public access to information legislation; establishment and monitoring of citizen complaint and institutional feedback mechanisms; creation of CSO networks and communities of practice; building awareness and capacity of legislators, media, government officials on social accountability issues, such as budget transparency, press freedom, and nongovernmental organization framework laws, budget monitoring; procurement and expenditure tracking; budget simplification; analysis, demystification, and dissemination of national, subnational, and local government budgets; citizen report cards; community scorecards; social audits; participatory monitoring of provision of public services, government institutions and performance, and implementation of laws and regulations.

Morocco – Country Partnership Strategy Progress Report

3. The Executive Directors discussed the joint IBRD-IFC Country Partnership Strategy Progress Report for Morocco for the period FY2010-FY2013 (R2012-0112[IFC/R2012-0166], dated May 18, 2012). (The Chair's Summing Up of the discussion was subsequently distributed as SU2012-0020[IFC/SU2012-0020], dated June 13, 2012.)

Morocco - Development Policy Lending (Loan) - First Skills and Employment Development Policy Operation

4. The Executive Directors considered the President's Memorandum and Recommendation (R2012-0111, dated May 18, 2012) and approved the First Skills and Employment Development Policy Loan to Morocco in the amount of EUR 75.1 million (US$100 million equivalent) on the payment terms and other terms and conditions set out in the President’s Memorandum.
Romania - Development Policy Lending (Loan) With Deferred Drawdown Option (DPL-DDO)

5. The Executive Directors considered the President's Memorandum and Recommendation (R2012-0115, dated May 18, 2012) and approved the Development Policy Loan with a Deferred Drawdown Option (DPL-DDO) to Romania in the amount of EUR 1 billion (US$1.333 billion equivalent) on the payment terms and other terms and conditions set out in the President’s Memorandum.

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Morocco - Loan - Judicial Performance Enhancement for Service to Citizen Project

7. The Executive Directors approved the loan to Morocco for a Judicial Performance Enhancement for Service to Citizen Project in the amount of EUR 12 million (US$15.8 million equivalent) on the payment terms and other terms and conditions set out in the President’s Memorandum (R2012-0116, dated May 22, 2012).

Djibouti - Additional Financing II IDA Crisis Response Window (CRW) Grant - Power Access and Diversification Project

8. The Executive Directors approved the additional financing II grant to Djibouti from the IDA Crisis Response Window (CRW) for a Power Access and Diversification Project in the amount of SDR 3.4 million (US$5.2 million equivalent) on the terms and conditions set out in the President’s Memorandum (IDA/R2012-0150, dated May 25, 2012).

Djibouti - Additional Financing IDA Crisis Response Window (CRW) Grant - Rural Community Development and Water Mobilization Project (PRODERMO)

9. The Executive Directors approved the additional financing grant to Djibouti from the IDA Crisis Response Window (CRW) for a Rural Community Development and Water Mobilization Project (PRODERMO) in the amount of SDR 2 million (US$3 million equivalent) on the terms and conditions set out in the President’s Memorandum (IDA/R2012-0138, dated May 17, 2012).

Djibouti - IDA Crisis Response Window (CRW) Grant - Social Safety Net Project

10. The Executive Directors approved the grant to Djibouti from the IDA Crisis Response Window (CRW) for a Social Safety Net Project in the amount SDR 3.3 million (US$5 million equivalent) on the terms and conditions set out in the President’s Memorandum (IDA/R2012-0146, dated May 25, 2012).

Djibouti - Grant - Strengthening Institutional Capacity and Management of the Education System Project

11. The Executive Directors approved the grant to Djibouti for a Strengthening Institutional Capacity and Management of the Education System Project in the amount of SDR 3.9 million (US$6 million equivalent) on the terms and conditions set out in the President’s Memorandum (IDA/R2012-0139, dated May 17, 2012).
Minutes of Previous Meetings

12. The Executive Directors recorded their approval on June 1, 2012 of the Minutes of the joint meeting held on April 26, 2012 (M2012-0034[IDA/M2012-0034, IFC/M2012-0030]), and, also, on June 1, 2012, of the Minutes of the meeting held on May 3, 2012 (M2012-0036[IDA/M2012-0036]).

Angola – Water Sector Institutional Development Project - Proposal to Restructure

13. The Executive Directors recorded their approval on June 5, 2012 of the recommendation contained in paragraph 7 of the President's Memorandum entitled "Angola - Water Sector Institutional Development Project - Proposal to Restructure" (IDA/R2012-0143, dated May 24, 2012).

Transfer from Surplus to Replenish the Trust Fund for Gaza and West Bank (Adoption of Resolution and Tally of Voting)

14. The Executive Directors recorded their approval on June 6, 2012 of the report from the Vice President and Corporate Secretary and the record of voting attached thereto entitled "Transfer from Surplus to Replenish the Trust Fund for Gaza and West Bank (Adoption of Resolution and Tally of Voting)" (R2012-0119, dated May 25, 2012).

Date of Next Meeting

15. It was agreed to hold a meeting of the Executive Directors of the Bank and IDA on Thursday, June 14, 2012.

Adjournment

16. The meeting adjourned at 12:07 p.m.