Administration Agreement between the KfW and the International Development Association concerning the Multi-Donor Trust Fund for the Cambodia Health Equity and Quality Improvement Project (No. TF072541)

1. The International Development Association (the “Association” or “Bank”) acknowledges that the Kreditanstalt für Wiederaufbau (KfW), (the “Donor”, and together with the Bank, the “Parties” and each a “Party”), agrees to provide the sum of twelve million Euros (EUR12,000,000) (the “Contribution”) for the Multi-Donor Trust Fund for the Cambodia Health Equity and Quality Improvement Project, No. TF072541 (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. We also acknowledge, that on the basis of an agreement between the Government of the Federal Republic of Germany and the Royal Government of Cambodia KfW (the “Donor”) has entered into a Financing Agreement dated January 20, 2016 with the Kingdom of Cambodia pursuant to which the Kingdom of Cambodia has authorized KfW to pay the Contribution directly into the Multi-Donor Trust Fund. It is understood, that the Financing Agreement between KfW and the Kingdom of Cambodia does not apply to the Bank, and that the Bank shall administer the Contribution solely in accordance with the provisions of this Agreement and the Grant Agreement between the Bank and the Kingdom of Cambodia referred to in Section 7 of Annex 2 to this Agreement.

2. The Contribution shall be used to finance the activities set forth in the “Multi-Donor Trust Fund for the Cambodia Health Equity and Quality Improvement Project 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 and the provisions on “Governance” attached hereto as Annex 3.

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 Association (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank:

(A) Promptly following countersignature – EUR 200,000
(B) By January 31, 2017 – EUR 5,800,000
(C) By June 30, 2017 – EUR 6,000,000

4. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund. If the Bank determines, on the basis of the speed of the implementation of the activities and availability of funds in the Trust Fund, that it is necessary to either bring Installments forward or delay them, the Bank and the Donor will discuss and agree to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

5. 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 TF072541 (the Multi-Donor Trust Fund for the Cambodia Health Equity and Quality Improvement Project), 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.

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”):

Mr. Ulrich Zachau  
Country Director -Southeast Asia  
The World Bank  
30\textsuperscript{th} Floor, Siam Tower  
989 Rama 1 Road  
Pathumwan, Bangkok 10330  
Fax: +66 2686 8301  
E-mail: Uzachau@worldbank.org

For the Donor (the “Donor Contact”):

Hannah Wiese  
Project Manager  
Division Health and Social Protection Asia  
KfW  
Postfach 11 11 41  
60046 Frankfurt am Main  
Federal Republic of Germany  
Tel: +49 69 7431 4123  
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E-mail: Hannah.Wiese@kfw.de

7. 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 decided with the Bank. When making any deposit, the Bank will include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made in relation to No. TF072541 (the Cambodia Health Equity and Quality Improvement Project Trust Fund), and the date of the deposit. The Bank will provide a copy of such information to the Donor.

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

9. 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.
10. 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 its provisions. 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 DEVELOPMENT ASSOCIATION

By: 
Name: CONSTANTINE CHIKOSI
Title: ACTING COUNTRY DIRECTOR
Date: June 21, 2016

KfW

By: 
Name: Dr. Helmut Straeger
Title: HEAD OF DIVISION
Date: 07.06.2016

By: 
Name: Gerald H. Koster
Title: Director, KfW Office Punoam Park
Date:
Multi-Donor Trust Fund for the Cambodia Health Equity and Quality Improvement
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 objective of the Trust Fund is to improve access to quality health services for the targeted population groups with protection against impoverishment due to cost of health services in the Kingdom of Cambodia.

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) Management and administration activities for the Trust Fund, including but not limited to, supporting 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 Trust Fund activities; and provision of support for the fiduciary assessment, oversight and supervision of Recipient-executed activities.

(b) Provision of analytic and advisory activities to generate evidence and engage in policy dialogue with the Kingdom of Cambodia to contribute to developing and implementing policies for improved access to health services by the poor and strengthening the Kingdom of Cambodia’s capacity to move towards universal health coverage.

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

(a) Strengthening Health Service Delivery through the provision of performance-based Service Delivery Grants (“SDGs”) to health centers, hospitals, Provincial Health Departments (“PHDs”) and Operational Districts (“OD”).

(b) Improving Financial Protection and Equity through the provision of Health Equity Funds (“HEFs”) grants (“HEF Grants”) to eligible health facilities.

(c) Ensuring Sustainable and Responsive Health Systems through the: (i) carrying out a program of activities designed to improve the supply side readiness of the health sector and strengthen the institutions in charge of implementing Project activities; (ii) carrying out civil works identified in the MOH’s civil works plan for 2016-2021 for the construction and/or rehabilitation of health facilities; and (iii) provision of technical and operational assistance for the coordination, administration, monitoring, evaluation and audit of the Project.
3. **Eligible Expenditures**

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

- (a) contractual services;
- (b) media, workshops, conferences and meetings;
- (c) travel expenses;
- (d) short-term consultants and temporaries;
- (e) extended term consultants and temporaries; and
- (f) 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.

3.4 For Recipient-executed activities, the Trust Fund funds may be used to finance:

- (a) civil works;
- (b) consulting services;
- (c) goods;
- (d) operating costs;
- (e) training; and
- (f) SDG grants, HEF grants and eligible expenditure programs against disbursement-linked indicators.

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.
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, including its Annexes, 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 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 which will be updated quarterly. 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.

3.5 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.

4. **Progress Reporting**

4.1 The Bank shall provide the Donors with annual progress reports by 30 September each year. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donors, as such results framework may be reviewed by the Parties from time to time. Within (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final report for the Trust Fund.

4.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of 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 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 December 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.

7. **Grants to Recipients**

7.1 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.

7.2 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.

7.3 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.

8. **Trust Fund Fee**
8.1 The Bank shall calculate a fee each time funds (the “Grant Amount”) from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the “Calculation Date”). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the “Cumulative Grant Total”). The calculated fee shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:

(i) 5% of any portion of the Grant Amount that results in a Cumulative Grant Total below or equal to US$ 50 million or equivalent; plus

(ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 50 million and below or equal to US$ 500 million or equivalent; plus

(iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 500 million and below or equal to US$ 1 billion or equivalent; plus

(iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 1 billion or equivalent.

8.2 Following each Calculation Date, the Bank shall deduct from the Trust Fund, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in the Trust Fund net of the related fee.
ANNEX 3

**Governance Arrangements**

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. **Management Committee**

   (a) A Management Committee ("MC") shall be established for the purposes of the Trust Fund, composed of representatives of the Bank and all Donors to the Trust Fund.

   (b) The MC shall be chaired by one of the MC members on annual rotation basis, and shall meet quarterly or more often as required for the purposes of: (i) approving the specific activities proposed for financing under the Trust Fund, including the Annual Work Plans and Budgets referred to in Section 2 of this Annex; and (ii) reviewing the progress of Bank-executed and Recipient-executed activities financed under the Trust Fund, including the progress reports referred to in Section 4.1 of Annex 2 to the Administration Agreements.

   (c) Decisions of the MC shall be made by consensus. The members of the MC shall retain their independent right of decision and action in respect of any matters on which they fail to reach consensus or which are governed by members’ respective legal and policy frameworks.

2. **Annual Work Plans and Budgets**

   The MC shall jointly approve annual work plans and budgets for the activities to be financed under the Trust Fund, which shall detail the Bank-executed and Recipient-executed activities and expenditures for each year and the amount of financing from the Trust Fund for such activities and expenditures.