
This Administration Agreement is concluded under Indirect Management in the context of the Framework Agreement between the World Bank Group and the European Commission which sets the general conditions for this Agreement. The Framework Agreement shall be applicable and form an integral part of the Administration Agreement for the Trust Fund.

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the European Commission (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of twenty-nine million Euro (EUR 29,000,000) (the “Contribution”) for the WB-EU Access to Sustainable Energy Philippines (ASEP) Single-Donor Trust Fund, No. TF072533 (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is twenty-nine million Euro (EUR 29,000,000). The indicative budget set out in Annex 4 shall be used for monitoring purpose only and shall not be binding.

2. The Contribution shall be used to finance the activities set forth in the “WB-EU Access to Sustainable Energy Philippines Single-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.

Expected results of the Trust Fund and corresponding indicators (including baselines, result goals and sources of data) are set out in Annex 3.

The Implementation period shall start on the date following that on which the last of the two parties signs.

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 “Instalment”) upon submission of a payment request by the Bank:

(a) Promptly following countersignature of this Administration Agreement – ten million Euros (€10,000,000);
(b) Ten million Euros (€10,000,000) subject to the disbursement of 70% of the preceding Instalment.
(c) Nine million Euros (€9,000,000) subject to the disbursement of 70% of the preceding Instalment.

The period for payment of further Instalments shall be 90 days. The period for payment of the balance shall be 90 days.

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 TF072533 (the WB-EU Access to Sustainable Energy Philippines Single-Donor Trust Fund), the Commission internal reference number and the date of the Administration Agreement, the name of the project for which the funds are intended, the name of the Commission department responsible for the 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”):

Mr. Motoo Konishi (or successor thereto)
Country Director – Philippines
The World Bank
26F One Global Place
5th Avenue corner 25th Street
Bonifacio Global City
Taguig City 1634
Philippines
Tel: +63-2-465.2500
Fax: +63-2-465.2505
E-mail: mkonishi@worldbank.org

For the Donor (the “Donor Contact”):

Mr. Achim Tillessen (or successor thereto)
First Counsellor, Head of Development Cooperation
Delegation to the European Union to the Philippines
30/F Tower 2, RCBC Plaza
6819 Ayala Avenue
Makati City 1200
Philippines
Tel: +63-2-859.5100
Fax: +63-2-859.5149
Email: Achim.TIL.LESSEN@eeas.europa.eu

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 and the Framework Agreement between the World Bank Group and the European Commission 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. In the event of any inconsistency, the Framework Agreement prevails over the Administration Agreement and the Administration Agreement prevails over its Annexes. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor.

8. Individual procurement and grant contracts under this Administration Agreement shall be signed by the World Bank Group entity no later than thirty six (36) months from the date of this Administration Agreement.
9. The measures taken to identify the EU as a source of financing shall be in accordance with Attachment 4 of the Framework Agreement.

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. 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

By: ____________________________  
Name: Makio Koshi  
Title: Country Director  
Date: 12/22/2015

EUROPEAN COMMISSION  
On Behalf of THE EUROPEAN UNION  
Represented by the Delegation of the European Union to the Philippines

By: Franz Jessen  
Name: Ambassador  
Date: 1/12/2017
WB-EU Access to Sustainable Energy Philippines Single-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. Objective

The objective of the Trust Fund is to support the implementation of development programs under the Philippines Department of Energy and European Union project “Access to Sustainable Energy Philippines” (ASEP) and under the WBG’s country partnership framework for the Republic of the Philippines. The specific objective of each project selected to be financed under the Trust Fund shall be specified in the respective Annual Work Program referred to in Section 6 of this Annex 1.

2. Activities

2.1 The activities (which may be described as “components” of activities) to be financed by the Trust Fund fall under the following thematic areas:

(a) Household electrification;
(b) Clean energy provision; and
(c) Electricity sector governance strengthening.

2.2 The activities grouped under the thematic areas referred to in paragraph 2.1 above shall consist of:

A. Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility. Recipient-executed activities are limited to 2.1 (a) and 2.1 (b) above as follows:

(i) Household electrification: management of an output-based subsidy facility to support electrification of rural households via solar home systems.
(ii) Clean energy provision: management of an output-based subsidy facility to support new solar power plants, the output of which is purchased by electric cooperatives that are part of either the Luzon-Visayas or Mindanao grids.
(iii) Pre-paid meters: allocation of subsidy for a small pre-paid metering pilot based on a feasibility study conducted under 2.2B(i).
(iv) Management activities of the Program Manager appointed for the PV Mainstreaming, Rural Network Solar, and Pre-Paid Metering subsidy programs

B. Bank-executed activities, for which the Bank has implementation responsibility and which fall under 2.1 (c), electricity sector governance strengthening:

(i) Strengthening governance in the electric cooperative sector
• Technical assistance to the National Electrification Administration, including related to performance and governance monitoring of electric cooperatives, and to disaster risk management
• Capacity building of electric cooperatives in the Bangsamoro
• Conduct of a feasibility study of pre-paid metering for selected electric cooperatives

(ii) Institutional strengthening of the Energy Regulatory Commission
• Systems-enabled regulatory process efficiency
• Analytic studies
• Assistance for development of ERC monitoring capability in respect of the wholesale electricity spot market and the retail competition market

(iii) Development of a Geographic Information System (GIS) integrating rural electrification and renewable energy aspects, coordination with DOE family agencies, support to implementation of system.

(iv) Donor coordination and communications in the above-mentioned thematic areas, including but not limited to visibility activities related to the components financed by the Trust Fund, participating in Steering Committee meetings, and participating in the European Union’s mid-term review of ASEP.

(v) Implementation support of client-executed activities covered under 2.2A, including assistance and advice relating to subsidy allocation mechanisms, support to the Recipient on technical specifications for solar home systems, solar power plants, and pre-paid meters, and other activities of the Recipient in managing the subsidy components. Implementation review missions and related reporting will be conducted at least twice annually in addition to regular monitoring and support.

The above list of activities is indicative. The World Bank may conduct any other activity necessary to achieve the overall objective of this program, in accordance with World Bank policies and procedures, within the scope of the Action, and upon agreement with the EU.

3. Eligible Expenditures

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

(a) Consultant Fees for Individuals and Firms
(b) Contractual Services
(c) Media, Workshop, Conference and Meeting
(d) Staff Costs – No Indirect Costs
(e) Temporary Staff – No Indirect Costs
(f) Travel Expenses

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

(a) Civil Works
(b) Supply and Installation of Goods
(c) Operating Costs
4. **Taxes**

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

5. **Program Criteria**

Activities will be selected for financing under this Trust Fund in accordance with the following program criteria: (a) alignment with the Republic of the Philippines’ development strategy/plan, and (b) contribution to achieving the development objectives and outcome indicators of the Trust Fund.

6. **Annual Work Program**

The detailed description of the specific projects selected for financing from the Trust Fund, together with their indicative budgets and result frameworks, shall be specified in a rolling annual work program approved by the Bank and the Donor through an exchange of letters (“Annual Work Program”). The Bank and the Donor shall hold annual and, as needed, ad hoc consultations on the progress of ongoing projects included in the Annual Work Program and the inclusion and preparation of proposed new projects. The Annual Work Program will be presented for discussion at an ASEP Steering Committee meeting prior to the exchange of letters. Following such consultations, the Bank and the Donor may approve through an exchange of letters any changes and additions to the Annual Work Program, without the need to amend the Administration Agreement.
ANNEX 2

Standard Provisions

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor, it being understood that any plural references in the annexes to Donors, Administration Agreements, Contributions and pro rata shares shall be read as singular references to the Donor, its Administration Agreement, its Contributions thereunder and the remaining uncommitted balance of the Trust Fund, respectively.

1. **Administration of the Contributions**

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor’s Contribution (collectively, the “Contributions”) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank’s obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the of Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. **Management of the Contributions**

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is Euros (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 transfer all income from such investment to the Donor’s applicable donor balance account with the Bank.

3. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Instalment, an amount equal to five and a half percent (5.5%) per Instalment as an administrative fee for the Trust Fund.

3.2 Each Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated on 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 November 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.
### Results Monitoring and Indicators*

**for the WB-EU Access to Sustainable Energy Philippines Single-Donor Trust Fund**

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
<th>Baselines</th>
<th>Result goals</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome(s)</strong></td>
<td>SHS installed</td>
<td>0</td>
<td>35,000</td>
<td>M&amp;E reports for all from LGUGC</td>
<td>Subsidy of 16000 pesos per system</td>
</tr>
<tr>
<td></td>
<td>Solar MW installed</td>
<td>0</td>
<td>14</td>
<td></td>
<td>Subsidy per installed MW of $500,000</td>
</tr>
<tr>
<td></td>
<td>PPM Pilot Installations</td>
<td>0</td>
<td>1,000</td>
<td></td>
<td>Subsidy of $100 per meter</td>
</tr>
<tr>
<td><strong>Output(s)</strong></td>
<td>NEA and ERC Systems Strengthened</td>
<td>0</td>
<td>2</td>
<td>Implementation Review Reports from the World Bank</td>
<td>Decisions by the relevant agencies to proceed with implementation of new systems</td>
</tr>
<tr>
<td></td>
<td>RE4RE GIS Established</td>
<td>0</td>
<td>1</td>
<td>Reports, studies and other outputs produced from various activities</td>
<td>The Bangsamoro EC and NEA disaster risk management (DRM) work will include a combination of workshops, peer learning, and studies as appropriate.</td>
</tr>
<tr>
<td></td>
<td>Pre-Paid Metering for ECs Feasibility Study</td>
<td>0</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bangsamoro EC institutional strengthening activity</td>
<td>0</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NEA activities related to disaster resilience and planning standards</td>
<td>0</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Individual project-level indicators will be included in the Work Program as approved by the Bank and the Donor pursuant to Section 6 of Annex 1.
*The indicative allocations may be revised and could be further detailed for each project within the thematic areas in the Work Program as approved by the Bank and the Donor pursuant to Section 6 of Annex 1.
## Components Total (in EUR million)

<table>
<thead>
<tr>
<th>A) Recipient Executed</th>
<th>18.400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household electrification and clean energy provision</td>
<td></td>
</tr>
<tr>
<td>• Output-based subsidies for solar home systems for new household connections, for small, grid connected solar power plants, and for a small prepaid metering pilot.</td>
<td>18.400</td>
</tr>
<tr>
<td>• Project management support for services managed by the LGU Guarantee Corporation, to the benefit of DOE, including consultants for due diligence, and monitoring and verification.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B) World Bank Executed</th>
<th>10.600</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sector governance strengthening</td>
<td></td>
</tr>
<tr>
<td>• Design, development and implementation of management information systems for the Energy Regulatory Commission and for the National Electrification Administration.</td>
<td></td>
</tr>
<tr>
<td>• Technical assistance including studies and advice to NEA and ERC, including inter alia activities related to pre-paid metering, Bangsamoro EC institutional strengthening, EC disaster risk management, planning and standards, and EC governance.</td>
<td>8.280</td>
</tr>
<tr>
<td>• Design, development, and implementation of a geographic information system (GIS) for the DOE family (including but not limited to DOE and NEA) that integrates data on rural electrification and renewable energy.</td>
<td></td>
</tr>
<tr>
<td>• Feasibility for pre-paid metering study</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementation Support and Related Capacity Development</th>
<th>0.725</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant Fees for Individuals and Firms, Contractual Services, Media, Workshop, Conference and Meetings, Staff Costs – No Indirect Costs, Temporary Staff – No Indirect Costs, and Travel Expenses</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administrative Fee (5.5%)</th>
<th>1.595</th>
</tr>
</thead>
</table>

**TOTAL (A+B)** 29.000