Administration Agreement between The Global Fund and the International Bank for Reconstruction and Development and the International Development Association concerning the Integrating Donor-Financed Health Programs Multi-Donor Trust Fund

(Trust Fund No. TF072602, parallel to original Trust Fund No. TF072424)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that The Global Fund (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of three million United States Dollars (US$3,000,000) (the “Contribution”) for the Integrating Donor-Financed Health Programs Multi-Donor Trust Fund (No. TF072602) (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 “Integrating Donor-Financed Health Programs Multi-Donor Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank 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 Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank:

(A) By 15 January 2017: USD 1,000,000
(B) By 31 September 2017: USD 1,250,000
(C) By 30 June 2018: USD 750,000

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.

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 TF072602 (the Integrating Donor-Financed Health Programs 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”):

Timothy Grant Evans  
Senior Director  
Health, Nutrition & Population Global Practice  
The World Bank  
1818 H Street NW  
Washington, DC 20433  
Tel: 12024733144  
E-mail: tgevans@worldbank.org

For the Donor (the “Donor Contact”):

Daniel Camus  
Chief Financial Officer  
The Global Fund to Fight AIDS, Tuberculosis and Malaria  
Chemin de Blandonnet 8 | 1214 Vernier  
Geneva, Switzerland  
Tel: +41 58 791 1700  
Fax: +41 58 791 1700  
Email: Daniel.Camus@theglobalfund.org

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; provided, however, that the words “on behalf of the Donors” set forth in paragraph 7.1 of Annex 2 are hereby deleted for the purpose of this Administration Agreement and shall be considered as non-existent within this Administration Agreement. 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. At the date of Bank’s signature of this Administration Agreement, the Indirect Rate (as defined in Annex 1 to this Administration Agreement) is 17%.
9. 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: 01/03/2017
Name: Timothy Grant Evans
Title: Senior Director

THE GLOBAL FUND

By: ____________________________  Date: 11/01/2017
Name: Daniel Camus
Title: Chief Financial Officer
ANNEX 1

**Integrating Donor-Financed Health Programs Multi-Donor 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 support countries in strengthening their health systems to accelerate and sustain progress towards key health outputs and outcomes that contribute to universal health coverage (UHC) with a particular focus on assessing and supporting the financial and institutional sustainability of donor-financed health programs.

2. **Activities**

The activities (which may be described as “components” of activities) to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility, and consisting of:

   (i) Comprehensive health financing and institutional assessments: carrying out of comprehensive health financing and institutional assessments (HFIAs) using the framework developed by GHNDR, with a particular focus on assessing the financial and institutional sustainability of donor-financed health priority programs, and including, *inter alia*: (a) collection, compilation, and analysis of data on health financing flows and service delivery — including by source and use — disaggregated by donor-financed, priority programs, and across different levels of government; (b) provision of support for tracking budgetary allocation and processes including monitoring of funding flows to areas of impact; (c) institutional assessments to identify key areas of discord and facilitate integration of donor-financed and other priority programs; (d) development and implementation of disease specific health accounts, especially for those countries that have implemented the national health accounts (NHAs) on a regular basis; and (e) assessment of technical and allocative efficiency of existing programs.

   (ii) Technical assistance and capacity building: strengthening of the capacity of governments and other key stakeholders for health systems, including in the key areas of health financing, information management, and service delivery for UHC and in the context of integration of donor-financed health programs, and encompassing, *inter alia*: (a) development of pathway options toward equitable and sustainable financing for UHC, including for addressing health financing transition challenges and for mainstreaming of donor-financed health programs; (b) engagement with non-health sector actors at the national level (e.g., ministries of finance and planning, public service, and executive offices) and sub-national governments for dialoguing on health financing, information management, and...
service delivery, including with regard to financial and institutional implications of transitions from donor-financing in the context of UHC; (c) training of key stakeholders on the equitable and efficient generation and utilization of resources, including issues related to integration and/or optimizing the complementarity of donor-financed health programs; (d) provision of technical assistance and capacity building for enhancing the technical and allocative efficiency of programs as they undergo transition from donor-financing to domestic-financing; and (e) capacity building for improving health system monitoring and evaluation systems, including for design of pilots and development of monitoring and evaluation mechanism including performance indicators.

(iii) Knowledge generation and exchange activities: provision of resources to task teams and governments to share and disseminate good practice knowledge and experiences on integration of donor-financed and other priority programs, entailing, inter alia: (a) developing an advocacy strategy and facilitating policy discussions at the country level; (b) impact evaluations to generate evidence to inform policies for financial and institutional sustainability; (c) analysis of country case studies based on health financing and institutional assessments and identification of enablers of sustained transition from cross-country experiences, including of experience of countries in improving technical and allocative efficiency of program facing transition-financing challenges; (d) compilation and sharing of lessons learned from countries graduating from donor-financed programs, including via financing of South-South and North-South study tours to help provide exposure to policy-makers and other stakeholders to implementation of innovative integration strategies; (e) regional and global knowledge-exchange, consultation, and dissemination activities including cross-country comparative analytical work and contributions to global knowledge-based related to transition challenges; (f) documentation of good practices and consultations to discuss and disseminate findings, including the production of a series of working papers (4,000-5,000 words) to enable capture and dissemination of pertinent issues and to help inform integration efforts across countries.

(iv) Program management and administration activities for the Trust Fund, including but not limited to, supporting any program governance arrangements and 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 program.

2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility, and consisting of the implementation of health systems integration/strengthening interventions, entailing the provision of resources to governments to pilot innovative health financing and service delivery integration mechanisms, including, inter alia: (a) piloting of innovative procurement, financial management, human resource management, service delivery, and monitoring interventions; and (b) support for investigating and testing different implementation mechanisms for integrating donor-financed and other priority programs within UHC programs.
3. **Eligible Expenditures**

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

(a) contractual services;
(b) equipment and office premises lease cost;
(c) media, workshops, conferences and meetings;
(d) travel expenses;
(e) short-term consultants and temporaries;
(f) extended term consultants and temporaries; and
(g) 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) consulting services;
(b) goods;
(c) operating costs, including *inter alia*, international and local travel costs of government officials to participate in study tours or/and attend conferences; and
(d) training.

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. **Program Criteria**

5.1 Activities are to be financed in accordance with the following program criteria:

(i) alignment with governments’ development strategies;
(ii) contribution to achieving the program development objective;
(iii) alignment with the development strategy and priorities of the Bank; and
(iv) alignment with the development strategy and priorities of donors contributing to the Trust Fund.
5.2 The first set of activities under the Trust Fund includes assessing and supporting the financial and institutional sustainability of health programs financed by the “Global Fund to Fight AIDS, Tuberculosis and Malaria” (MTO 069001) (Global Fund) and the “Global Alliance for Vaccines and Immunization” (TF 069010) (Gavi Alliance) in three East Asia and Pacific (EAP) region countries: Indonesia, Papua New Guinea, and Solomon Islands. Additional countries of focus may include Vanuatu, Cambodia and possibly others at a later stage. Subsequent country engagements will be decided based on progress with the initial three countries and availability of resources (including as other Donors come in). Proposed activities in each of the countries, as well as those that may cut-across countries, will have their own review process, including those set forth in Annex 3 to the Administration Agreement.

6. **Withdrawal Period**

6.1 The Trust Fund shall be used to finance the eligible expenditures set forth above in paragraph 3 which have been incurred on or after the date the Trust Fund becomes effective.
ANNEX 2

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 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 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. 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 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.

4.2 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.

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 June 30, 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 or equivalent 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 or equivalent 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.
Governance

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

The Global Practice for Health, Nutrition, and Population (GHNDR) will be the managing unit of the Trust Fund. The overall framework and strategic direction of the Trust Fund will be guided by GHNDR management, including a team comprising the GHNDR Senior Director and Director and the Practice Managers assigned to different regions. GHNDR management will be responsible for overseeing the implementation of the Trust Fund and making decisions on activities, approval of funding proposals, prioritization of the Global Fund and Gavi Alliance programs of work, and where appropriate, other donor financed and priority programs (for example, broader immunization and communicable disease control activities).

Within the GHNDR management team, the day-to-day management of the Trust Fund will be the responsibility of the GHNDR Trust Fund Program Manager who is a Senior/Lead Health Specialist/Economist in GHNDR. The Program Manager will ensure that all activities and financial reports are carried out and completed in accordance with Bank policies and procedures and the Administration Agreements signed with donors.

Donors and other stakeholders, including country based representatives, will be engaged in the development of concept notes at the country level and will be invited to provide comments/inputs at the activity completion stages of the Trust Fund activities. In addition, biannual consultations will be organized to provide donors an update on planned and ongoing Trust Fund activities.