Administration Arrangement between the Kingdom of the Netherlands, as represented by the Minister for Foreign Trade and Development Cooperation and the International Bank for Reconstruction and Development and the International Development Association concerning the Strengthening Mozambique’s Social Protection System Multi-Donor Trust Fund (Trust Fund No. TF073250; Donor Reference No. 4000002244)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Kingdom of the Netherlands, as represented by the Ministry for Foreign Trade and Development Cooperation (the “Donor”, and together with the Bank, the “Participants” and each a “Participant”) has decided to provide the sum of four million Euros (EUR 4,000,000) (the “Contribution”) for the Strengthening Mozambique’s Social Protection System Multi-Donor Trust Fund (Trust Fund No. TF073250) (the “Trust Fund”) in accordance with the provisions of this Administration Arrangement. Other donors are also expected to contribute to the Trust Fund on the basis specified in the Annexes to this Administration Arrangement.

2. The Contribution will be used to finance the activities set forth in the “Strengthening Mozambique’s Social Protection System Multi-Donor Trust Fund Description” attached hereto as Annex 1, and will be administered by the Bank on behalf of the Donor in accordance with the provisions of this Administration Arrangement, including the “Standard Provisions” attached hereto as Annex 2 and the provisions on “Governance” attached hereto as Annex 3.

3. The Donor will deposit the Contribution in accordance with the following schedule and in the currency specified in paragraph 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank.

   (A) Promptly following countersignature, one million five hundred thousand Euros (EUR 1,500,000).
   (B) By April 30, 2020, one million five hundred thousand Euros (EUR 1,500,000).
   (C) By April 30, 2021, one million Euros (EUR 1,000,000).

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 mutually decide to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

5. When making any deposit, the Donor will 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 TF073250 (the Strengthening Mozambique’s Social Protection System Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor will 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 Arrangement will be in writing and delivered by mail, fax or e-mail to the respective Participant's address specified below or at such other address as such Party notifies in writing to the other Participant from time to time:

For the Bank (the “Bank Contact”):

Edmundo Murrugarra  
Senior Economist  
Social Protection and Jobs  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
Tel: (202)473-4452  
E-mail: emurrugarra@worldbank.org

For the Donor (the “Donor Contact”):

Eleasara Antunes  
Policy Officer for Social Protection, Gender and Human Rights  
Embassy of the Kingdom of the Netherlands  
Avenida Kwame Nkrumah 324  
Tel: +258 21 484 221  
Fax: +258 21 484 248  
E-mail: eleasara.antunes@minbuza.nl

7. In the event any amounts are to be returned to the Donor under this Administration Arrangement, the Bank will transfer such amounts to the Donor, unless otherwise mutually 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 by the Bank in relation to TF073250 (the Strengthening Mozambique’s Social Protection System Multi-Donor 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 Arrangement, whose terms taken together will constitute the entire arrangement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Arrangement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Arrangement may be amended only by written amendment of all donors contributing to the Trust Fund.  

10. It is understood that this Administration Arrangement, including any annexes, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the United Nations Charter.
11. Each of the Participants represents, by confirming its acceptance below, that it is authorized to enter into this Administration Arrangement and act in accordance with its provisions. The Bank and the Donor are each requested to sign and date this Administration Arrangement, and upon possession by the Bank of this fully signed Administration Arrangement, this Administration Arrangement will come into effect as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Mark Lundell
Mark R. Lundell
Country Director
Date: 16-Dec-2018

KINGDOM OF THE NETHERLANDS, AS REPRESENTED BY
MINISTER FOR FOREIGN TRADE AND DEVELOPMENT COOPERATION

By: Michiel van der Pompe
Chargé d'Affaires
Date: 17-Feb-2018
Strengthening Mozambique's Social Protection System 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 objectives of the Trust Fund are to strengthen the social protection system in Mozambique.

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) 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.

   (b) Provision of technical assistance and capacity building to contribute to the Government of Mozambique’s development and testing of innovative solutions to improve the functioning of social protection systems in the areas of: (i) strengthening the delivery systems of existing social programs, (ii) enhancing intersectoral synergies; and (iii) improving coordination and integration of the social protection system.

   (c) Implementation Support. Provide implementation support to Recipient-executed activities.

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

   (a) Support to strengthen coverage of existing social protection programs, prioritizing income support to eligible households in existing social protection programs by financing existing income support cash transfers, associated implementation costs and piloting and scaling up solutions that enhance the efficiency and impact of social protection programs.

3. **Eligible Expenditures**

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

   (a) staff costs (excluding short term consultants and temporaries);
   (b) short-term consultants and temporaries
   (c) contractual services;
   (d) equipment and office premises lease cost;
   (e) media, workshops, conferences and meetings; and
   (f) travel expenses.
3.2. For purposes of this paragraph 3: (i) "staff costs (excluding short term consultants and temporaries)" includes salaries, benefits and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; and (ii) "short term consultants and temporaries" includes fees and the Indirect Rate 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 Development Partner Center 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 eligible expenditures in accordance with the Bank's applicable policies and procedures.

4. **Taxes**

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

5. **Indicative Results Framework**

5.1. An indicative Results Framework for the activities financed by the Trust Fund prepared by the Bank (the "Results Framework"), in consultation with the Donors, shall be available at the Development Partner Center website. Such Results Framework, may be revised by the Bank from time to time, in consultation with the Donors, and shall be used for monitoring and evaluation purposes only.

6. **Indicative Budget**

6.1. The Bank shall provide indicative budget information for the Trust Fund at the Development Partner Center website, which may be updated periodically by the Bank in consultation with the Donors. Such budget information is for informational purposes only.
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, 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 Development Partner Center 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 Development Partner Center website.

3.3. The Bank shall provide to the Donors via the Development Partner Center website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising: (i) a management report together with an audit opinion 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; Review or Evaluation of Activities; Financial Management**

4.1. The Bank shall provide the Donors with semi-annual written progress reports by February 28 and June 30 of the implementation years. 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 six (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final narrative progress 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.

4.3. The Bank shall, consistent with its policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the
Trust Fund funds, and include provisions in its agreements with Recipients to give full effect to the relevant Bank guidelines on fraud and corruption.

4.4. In the event that the Bank determines that there are credible and material allegations of fraud, corruption, collusion or coercion in relation to Recipient-executed and/or Bank-executed activities financed by the Trust Fund that result in the Bank opening an investigation into such allegations (an "Investigation"), the Bank shall, in accordance with its applicable policies and procedures:

(i) take timely and appropriate action with respect to such allegations and, where relevant, seek appropriate redress, including potential sanctions;

(ii) as soon as practicable, inform the Donors of the outcome of the Investigation, provided that the Donors agree to keep such information confidential pursuant to paragraph 6.3 of Annex 2, unless such information is already publicly available;

(iii) on a case by case basis, decide whether to share information with Donors on an active Investigation, and provided that the Donors agree to keep such information confidential pursuant to paragraph 6.3 of Annex 2;

(iv) take all necessary actions to recover funds that are the subject of an Investigation where the Bank has determined it as appropriate; and

(v) to the extent that any funds are refunded to the Trust Fund following an Investigation, the Bank shall use such funds for the same purposes as the Contributions, unless otherwise agreed between the Bank and each Donor.

5. Disbursement: Cancellation: Withholding of Payments

5.1. It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2022 (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 paragraph 2.2 of this Annex 2, unless otherwise agreed between the Bank and the Donor.

5.3. If in the reasonable opinion of a Donor, the Bank has failed to comply to a material extent with its obligations under this Administration Agreement, the Donor and the Bank agree to discuss the non-compliance with a view to resolving the matter. If the Bank and the Donor fail to agree on the measures to be taken or the Bank fails to take relevant measures as may be agreed between the Donor and the Bank,
the Donor may, upon thirty (30) days prior written notice, withhold all or any portion of an Installment that has not yet been disbursed to the Bank, until such time as the measures have been taken.

6. Disclosure: Visibility

6.1. The Bank and the Donors agree that the Administration Agreements will be made publicly available and that any related information on this Trust Fund in the Bank's and the Donor's possession may be publicly disclosed in accordance with: (i) the Bank's policies and procedures with respect to any such information in the Bank's possession; and (ii) the Donors' applicable laws with respect to any such information in the Donors' possession.

6.2. Notwithstanding paragraph 6.1 above, neither the Bank nor any of the Donors shall publicly disclose information in their respective possession related to the Trust Fund that has been indicated or marked in writing by either Party as confidential, unless prior written consent has been obtained from the Party providing the information or the Donors are otherwise obliged to do so under applicable laws with respect to information in their possession.

6.3. Notwithstanding paragraphs 6.1 and 6.2 above, the information provided under paragraphs 4.4(ii) and 4.4(iii) shall be subject to the terms of confidentiality accompanying such information, and the Donors shall not disclose such information outside the office to which the information is provided, unless: (i) prior written consent has been obtained from the Bank; or (ii) the Donors are obliged to do so in accordance with applicable laws, in which case the Donors will notify the Bank accordingly prior to such disclosure. If a Donor is not able to commit to keep such information confidential in accordance with its applicable laws, then the Donor shall inform the Bank accordingly.

6.4. Where appropriate to do so, the Bank will acknowledge, the Donors' contributions in references made by the Bank with respect to the Trust Fund in publications, press releases or other similar written materials.

7. Dispute Resolution: Limitation on Donor Liability

7.1. 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.

7.2. In providing funds under this Administration Agreement, the Donors do not accept any responsibility or liability towards any third parties including any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.

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.

9. **Trust Fund Fee**

9.1. 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.

9.2. 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

A Partnership Council will be established to:

(a) provide strategic guidance and direction on the implementation of the Trust Fund activities;
(b) endorse annual work plans and budgets presented by the Bank; and
(c) review the semiannual progress reports provided by the Bank based on the results framework described in Section 4.1 of Annex 2;

The Partnership Council will consist of representatives of the Bank, including as Chair, and a representative of each Donor contributing to the Trust Fund. It is envisaged that the Partnership Council will meet quarterly, as convened by the Bank. Meetings may be conducted physically or virtually, with decisions made by consensus.

The Donors agree that the Bank has responsibility for the Trust Fund operations under the terms of the Administration Agreement, including with respect to the implementation of Bank-executed activities and the supervision of Recipient-executed activities.
Mr. Peter van der Vliet, Director  
Multilateral Organizations and Human Rights Department  
International Financial Institutions Division  
Ministry of Foreign Affairs  
Rijnstraat 8, P.O. Box 20061  
2500 EB The Hague, The Netherlands

E-mail: peter-vander.vliet@minbuza.nl; janwillem-vande.wallbake@minbuza.nl

Dear Mr. van der Vliet,

The World Bank Group welcomes the Netherlands's leadership on the issue of Gender Based Violence (GBV) and sexual harassment, exploitation and abuse (SHEA). We want to assure you that the World Bank Group (WBG) shares your strong commitment to providing a safe working environment, free from harassment and abuse. Protecting staff and the people we serve is central to this commitment and we see it as directly linked to our mission of ending poverty and promoting shared prosperity.

We appreciate the close dialogue we have had with the Netherlands and our other shareholders and partners in agreeing a joint set of principles for preventing sexual harassment, both within our own institutions and in our operations. We fully agree that GBV-SHEA are unacceptable and must be acted on unequivocally. The World Bank Group has put in place a system for preventing, investigating and reporting GBV-SHEA cases. We are happy to outline below the most important requirements in our rules dealing with GBV-SHEA that should give you the necessary assurances when engaging with the WBG.

A. Policies and practices related to WBG staff

A.1. Preventing situations

The WBG has a strong commitment to providing a safe working environment, free from harassment and abuse. This commitment is enshrined in its Staff Rules and Code of Conduct. The Principles of Staff Employment – which all staff members agree to adhere to when they join the WBG – require that staff members act with the highest degree of integrity and conduct themselves in a manner befitting their status as employees of an international organization. The WBG’s Guidance on Anti-Harassment defines sexual harassment, sets out behaviors that could constitute sexual harassment and misconduct for staff members, and defines the “workplace” to include official travel and social functions related to work. The Code of Conduct, the Principles of Employment and Anti-Harassment Guidance, which cover this issue are easily accessible to all staff members on the Intranet.

The Ethics and Business Conduct (EBC) Department promotes the development and application of the highest ethical standards by staff members and is committed to acting with integrity, impartiality and independence. EBC reports directly to the President of the WBG EBC’s activities focus on four areas:

1 In April 2018, at a meeting co-chaired by The Netherlands, the major IFIs issued a Joint Statement on Continuous Advancement of Standards to Prevent Sexual Harassment, Abuse and Exploitation, based on 7 principles. Several follow up meetings among IFCs occurred since then.

1818 H Street NW - Washington, DC 20433 USA
standard setting; outreach and training; advice to staff members and clients; and addressing misconduct. EBC is promoting the WBG Core Values of Impact, Integrity, Respect, Teamwork and Innovation. GBV-SHEA runs contrary to the values of Integrity, Respect and Teamwork.

The WBG has taken several steps already to prevent and address GBV-SHEA. Since June 2018, it is mandatory for all WBG staff to complete an e-learning course on GBV-SHEA. Face-to-face training sessions on respectful and harassment-free workplace are also regularly organized. Staff members are encouraged to report cases and the number of allegations of misconduct relating to sexual harassment has trebled to 35 in FY18 and continues to increase in FY19.

Three independent external experts are finalizing a review of the WBG’s policies, procedures and practices related to sexual harassment in the workplace. The consultants have acknowledged that the WBG is already deploying substantial prevention and investigation efforts. The new WBG strategy on sexual harassment that is under preparation will include the main recommendations of the forthcoming consultant report.

A WBG three-year GBV-SHEA strategy has been drafted by EBC and is under finalization. It includes more proposed changes than are contained in the external review. The strategy will be revisited periodically, to take stock on achievements and incorporate new measures to ensure that the WBG approach to sexual harassment conforms to, and if possible defines, best practices. The strategy defines a people-centered approach focused on improving prevention and developing further trust in the internal reporting system. The strategy is seeking enhanced accountability on all sides: accountability of managers regarding the work environment in which their teams operate; accountability of staff members regarding their relationships with colleagues and external parties; accountability of the relevant WBG services in the way they provide services and support to staff or respond to situations where sexual harassment is alleged; and of course, accountability of those who commit sexual misconduct and who should know that they will be held accountable, no matter what their level of performance is.

The strategy demonstrates the willingness of the WBG to remain at the forefront of initiatives regarding GBV-SHEA.

A2. Addressing misbehavior of WBG staff

Sexual harassment and participation in sexual exploitation and abuse are clearly defined as forms of misconduct in the WBG applicable rules. Allegations of sexual misconduct are reviewed and, when relevant, investigated as a matter of priority. EBC reviews and investigates allegations of misconduct in accordance with well established procedures and protocols. Based on the outcome of an investigation, staff members can be terminated and/or face other disciplinary sanctions imposed by the Human Resources Vice President. The subject or complainant of an investigation may seek review of the decision and the investigative process before the WBG Administrative Tribunal. If such incidents should arise where reporting to the relevant authorities is necessary, EBC would work closely with the WBG Legal Departments to undertake the necessary steps.

Whistleblowing: Staff members have a critical role to play in reporting suspected misconduct, which helps the WBG better identify, address, and ultimately deter wrongdoing. The Whistleblowing Policy (Staff Rule 08.02: Protections and Procedures for Reporting Misconduct (Whistleblowing)) codifies the rights and obligations of staff members in reporting misconduct that may threaten the operations and governance of the WBG. With strong protections against retaliation, the policy encourages staff members to raise concerns, and it also enables the organization to effectively address misconduct, manage risks, and uphold standards of good governance.

The whistleblower policy was last updated in March 2018. Given its importance to the institution, the WBG is currently assessing whether there are areas that can be further improved, so that the institution continues to ensure that it provides a safe environment for reporting and addressing suspected misconduct.
A form is available on the internet that allows anyone in the world to report allegations of sexual misconduct involving a WBG staff member. Such reporting can be anonymous. New measures are in preparation to put adequate remediation in place for situations where behaviors are inappropriate but do not necessarily rise to the level of misconduct.

B. Policies and practices related to World Bank / IFC operations

The standards, policies and practices described in this section apply to all Investment Project Financing (IPF) operations of the World Bank including those executed by the recipient and relying on trust fund resources as well as to all IFC investments and operations, whether executed on IFC’s own account or in its capacity as a trustee.

B.1. Preventing GBV-SHEA in World Bank operations

The World Bank protects people affected by World Bank-financed projects through its Environmental and Social Framework (ESF), which went into effect on October 1, 2018, replacing the previous World Bank environmental and social safeguard policies. The ESF requires Borrowers to undertake an assessment of environmental and social risks and to develop measures to mitigate any adverse project-related risks and impacts. Social risks are defined broadly under the ESF and include GBV-SHEA, threats to human security and impacts on the health, safety and well-being of workers and project-affected communities amongst others. This means that potential social risks will be identified by the Borrower early in the project cycle, so that the World Bank and its shareholders can make informed decisions regarding the projects the World Bank finances. The ESF introduces a non-discrimination principle that explicitly requires the World Bank to help the Borrowers to pay attention to the full range of environmental and social risks and impacts that could disproportionately affect disadvantaged and vulnerable groups. This allows the World Bank to work with the Borrower to help them identify groups at risk of gender-based violence as well as sexual exploitation and abuse and to put in place measures to protect such groups as part of project design. It also includes the incorporation of such measures and pertinent ESF requirements into World Bank legal agreements with Borrowers through appropriate covenants. In addition to these policy requirements, the World Bank developed dedicated training, tools and guidance to build the capacity of World Bank staff in GBV-SHEA risks identification and monitoring in World Bank-supported operations throughout the project life-cycle. In this regard, some of the guidance and tools now available include a GBV screening and risk-rating tool to help staff identify GBV risks during project preparation, and a Good Practice Note for Bank staff on Addressing GBV in Investment Project Financing involving Major Civil Works.1

The World Bank’s Standard Bidding Documents for civil works include several provisions aimed at managing risks associated with a wide range of GBV-SHEA both during contractor selection and contract implementation. The Borrower is required to state the works’ policy goals in the documents and to integrate, among several other minimum requirements, gender equality, sexual harassment, GBV, and sexual exploitation and abuse. Specific commitments for the contractor to incorporate a gender perspective and provide an enabling environment where women and men have equal opportunity to participate in, and benefit from, planning and development of the proposed works are included. In addition, the contractor is required to have a code of conduct which must provide for non-discrimination in dealing with the local community including vulnerable and disadvantaged groups, the employer’s personnel, and the contractor’s personnel based on, among other bases, gender, marital status, and gender identity. Finally, the General Conditions of Contracts require the contractor to keep accurate records of all workers, and provide for non-discrimination, equal opportunity, and fair treatment, prohibiting discrimination with respect to aspects of the employment relationship, such as recruitment and hiring, compensation including wages and benefits, non-discrimination in terms of employment terms, and ensuring that the contractor’s employees and other personnel are protected from all forms of GBV-SHEA.


working conditions and terms of employment, access to training, promotion, termination of employment or retirement, and discipline. Provisions related to GBV-SHEA, code of conducts, are reflected in all works-related procurement documents, including the Request for Proposal for consultants which is used to select consulting engineers.

The World Bank has expanded its safeguarding efforts in the projects it supports. To be more proactive in protecting vulnerable groups, the President commissioned the Gender-Based Violence Task Force to strengthen the World Bank’s capacity to identify, mitigate, and prevent the risks of sexual exploitation and abuse in the World Bank’s projects. On November 8, 2017, the World Bank released an Action Plan that is based on the recommendations of the task force and is currently being implemented as outlined above.

B.2. Preventing GBV-SHEA in IFC operations

IFC’s Performance Standards reference protections for women and vulnerable groups. In FY19, all new IFC investment projects will be screened for Gender Based Violence risk. Environmental & Social (E&S) specialists are required to build GBV-SHEA consideration into their E&S due diligence and client requirements, and these requirements are being built into Investment Agreements. These requirements include GBV-SHEA risk screening, explicit reference to avoidance of sexual harassment in clients’ human resources policies, and development of capacity within employee grievance redress mechanisms (GRMs) to address grievances related to alleged sexual harassment. Additionally, in large scale construction projects, clients are required to implement Task Force recommendations, i.e., to develop worker codes of conduct that explicitly define and prohibit SEA, provide differentiated awareness-raising training workers, supervisor and management, establish community-based GRMs able to accept and respond to SEA allegations, and develop survivor support mechanisms. IFC is monitoring the client implementation of these measures during portfolio supervision.

In addition, the risks and impacts identification process presents an opportunity for the client to identify, evaluate, and address potential risks and impacts of the project to affected communities. For example, clients may be required to conduct a gender assessment around how the project impacts men and women and what differentiated mitigations measures might be needed to address identified risks and issues. For the existing portfolio, IFC will conduct systematic portfolio reviews to screen for gender-based violence. For IFC’s advisory services, the advice provided to clients must be consistent with the Performance Standards.

IFC’s Performance Standards are embedded in its 2012 Sustainability Framework, as defined by the Policy on Environmental and Social Sustainability (the Sustainability Policy) and the Access to Information Policy (AIP).

B.3. Preventing GBV-SHEA in WBG Procurement

The WBG’s Corporate Procurement unit has recently issued an updated Code of Conduct for On-site Vendor Employees. The Code explicitly prohibits Vendor Employees to engage in any form of harassment, including sexual harassment. Vendor Employees who believe that they are being harassed or sexually harassed by a WBG staff member may bring such allegations to EBC, and if necessary, they can request anonymity or bring allegations anonymously. In addition, IFC published a Good Practice Note on Managing Contractors’ E&S Performance, which included relevant recommendations of the above mentioned GBV Task Force.

Furthermore, Corporate Procurement unit will publish a new WBG Vendors Code of Conduct in the coming weeks. The Code will address, among other things, Vendors’ labor conduct, harassment and non-discrimination. Many of these requirements are included in the WBG’s General Terms and Conditions.
Prior to contract awards, the World Bank Group Corporate Procurement Committee and the Corporate Procurement Committee also review high risk and high value contracts and ensure that sexual harassment, exploitation and abuse are sufficiently mitigated.

B.4. Addressing situations of GBV-SHEA in World Bank/IFC operations:
The World Bank and IFC are committed to ensuring that financed projects do not harm people or the environment. The objective of the Grievance Redress Service is to make the World Bank more accessible for project-affected communities and to help ensure faster and better resolution of project-related complaints. It ensures that complaints are promptly reviewed and addressed by the responsible units in the WBG. Many projects have local grievance redress mechanisms (GRMs) that are often embedded in the communities. Both the Grievance Redress Service and the project-embedded grievance redress mechanism can serve as entry points for reporting sexual harassment, abuse, and exploitation. Project-affected communities and individuals may submit their complaint to the World Bank’s independent Inspection Panel, or IFC’s Office of the Compliance Advisor Ombudsman (CAO), which determines whether harm occurred as a result of WBG non-compliance with its policies and procedures.

We need to recognize that the World Bank operates through the governments of Borrower countries and relies on the respective countries legal system and regulation. IFC on the other hand can demand swift remedial actions from its private sector clients in cases breaches to the contractual obligations as outlined above are identified and even exit investments if clients do not follow through on those remedial actions. IFC however cannot undertake that offenders within its client operations will be prosecuted as this is a matter for the legal authorities in the countries in question, and the wishes of the GBV-SHEA survivors which is beyond IFC’s control.

C. Policies and practices related to reporting on GBV-SHEA

For the WBG reporting to shareholders and development partners on GBV-SHEA occurrences is a new area of focus with a complex set of associated issues. The responsible teams at the WBG would be happy to further discuss this with the Netherlands, other interested shareholders and IFIs as they work through the most appropriate ways to address the challenges.

The WBG already decided that from FY18 onwards, the annual reports of the Ethics and Business Conduct Department will contain a section on sexual harassment, detailing what types of allegations against WBG staff were brought to EBC and how the cases were addressed. In addition, the report contains anonymized summaries of all the cases that were investigated and reported by EBC to the Vice President of Human Resources for sanctions.

Regarding World Bank operations, the public annual report of the World Bank’s Grievance Redress Service (GRS)\(^4\) also includes reporting on GBV-SHEA related to complaints. This report provides case statistics, highlights selected cases and includes lessons learned. It also contains complaints register that summarizes issues and actions in a manner that addresses confidentiality concerns. There is also a public access case log that is updated monthly on matters raised through this mechanism.

There are practical considerations that prevent IFC undertaking to promptly inform shareholders of GBV-SHEA occurrences related to its clients. The first of these is that IFC may not know promptly of such occurrences – clients are required to report serious adverse E&S incidents to IFC within three days of occurrence, but not all clients do this. Routine E&S reporting by clients to IFC is annually. IFC’s routine and E&S disclosure are described by AIP and exclude reporting of clients’ E&S breaches of IFC Investment

Agreements. IFC could develop regular (e.g. annual) reporting to shareholders of GBV-SHEA of which we become aware, that is associated with projects, but cannot provide any assurance that this will be complete.

It should be noted that best practice is to take a survivor-centric approach to addressing GBV-SHEA. Survivors may report an incident, but express strong preference to take no action beyond reporting. Also note that incidents of GBV-SHEA are widely considered to be significantly underreported.

The WBG is committed to continuous improvement of its policy framework, its processes, its organization and its culture. Together with other IFIs, the WBG strives to develop best practices in preventing, addressing and reporting GBV-SHEA occurrences.

We strongly welcome that the Ministry of Foreign Affairs of the Netherlands is challenging the WBG and other IFIs on this agenda. The Netherlands is a strong partner and supporter of our work. You are an important contributor to our engagements in the climate, youth, and fragility area and, above all, you continue to be a generous supporter for IDA and the emphasis on gender equality. We are proud to have you by our side and will continue to work hard to maintain that trust.

We are at your disposal for any clarification.

Sincerely Yours,

[Signature]

Sella Redzeq
Vice President
IBRD

[Signature]

Karin Finkelston
Vice President
IFC

cc: Mr. Koen Matthieu Davidse, Member of the Board of Directors, World Bank Group
Ms. Stephanie Miller, Director, Western Europe Region, IFC
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