Administration Arrangement between the Government of Canada, as represented by the Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development (DFATD) and the International Bank for Reconstruction and Development concerning the Indonesia Infrastructure Finance Development Multi-Donor Trust Fund (No. TF072397)

1. The International Bank for Reconstruction and Development (the “Bank”) acknowledges that the Government of Canada, acting through the Department of Foreign Affairs, Trade and Development (“DFATD” or the “Donor”) agrees to provide to the Bank the sum of nineteen million Canadian Dollars (CDN$ 19,000,000) (the “Contribution”) for the Indonesia Infrastructure Finance Development Multi-Donor Trust Fund, No. TF072397 (the “Trust Fund”) in accordance with the terms of this Administration Arrangement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Arrangement.

2. The Contribution will be used to finance the activities set forth in the “Indonesia Infrastructure Finance Development 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 terms of this Administration Arrangement, including the “Standard Provisions” attached hereto as Annex 2 and “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 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) Promptly following countersignature of this Administration Arrangement from the Donor’s fiscal year 2014-2015 CDN$ 2,207,000

(B) By March 1, 2016 from the Donor’s fiscal year 2015-2016 CDN$ 5,793,000

(C) By March 1, 2017 from the Donor’s fiscal year 2016-2017 CDN$ 4,000,000

(D) By March 1, 2018 from the Donor’s fiscal year 2017-2018 CDN$ 4,000,000

(E) By March 1, 2019 from the Donor’s fiscal year 2018-2019 CDN$ 3,000,000

4. 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 TF072397 (the Indonesia Infrastructure Finance Development 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.
5. 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 undersigned address specified below or at such other address as such undersigned notifies in writing to the other undersigned from time to time:

For the Bank (the “Bank Contact”):

Tatiana Nenova  
Program Leader, East Asia and Pacific Region  
The World Bank  
BEI Building, Tower 2, 12th Floor  
Jl. Jend. Sudirman Kav. 52-53  
Jakarta 12190

Tel: +62 21 5299 3000  
E-mail: tnenova@worldbank.org  

For the Donor (the “Donor Contact”):

Matthew Straub  
First Secretary (Development)  
Embassy of Canada  
World Trade Center 1, 6th Floor  
Jl. Jend. Sudirman Kav. 29-31  
Jakarta 12920

Tel: +62 21 2550 7800  
E-mail: Matthew.Straub@international.gc.ca

6. 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’s account at the Bank (TF029048).

7. No member of the House of Commons of Canada will be admitted to any share or part of this Administration Arrangement or to any benefit arising therefrom.

8. No current or former public office holder or public servant of the Government of Canada who is not in compliance with the Conflict of Interest and Post-Employment Code for Public Office holders or the Values and Ethics Code for the Public Service will derive a direct benefit from this Administration Arrangement.

9. Any transfer into the Trust Fund to be made under this Administration Arrangement is subject to there being an appropriation by the Parliament of Canada for the fiscal year in which such transfer is to be made. If DFTAD’s appropriation is changed by the Parliament of Canada, DFTAD may reduce the Contribution, or terminate this Administration Arrangement.

10. No offer, gift or payment, consideration or benefit of any kind, which constitutes an illegal or corrupt practice, has or will be made to anyone, either directly or indirectly, as an inducement or reward for the award or execution of this Administration Arrangement. Any such practice will be grounds for terminating this Administration Arrangement or taking any other corrective action is required.
11. 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.

12. It is understood that this Administration Arrangement, including any annexes, is not an international treaty. It is an administrative arrangement between the Bank and the Donor.

13. All references made in the Annexes to “shall” will have the same meaning as the term “will” herein.

14. Each of the undersigned represents, by confirming its acceptance below, that it is authorized to enter into this Administration Arrangement and act in accordance with its provisions. The undersigned 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 become carried out as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Name: Loreto Chaves
Title: Country Director, Indonesia
Date: March 27, 2015

GOVERNMENT OF CANADA, AS REPRESENTED BY THE MINISTER FOR INTERNATIONAL DEVELOPMENT, ACTING THROUGH THE DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT

By: [Signature]
Name: Jacob Devitt
Title: Country Director, Indonesia
Date: Mar 30, 2015
Indonesia Infrastructure Finance Development Trust Fund Description

This Annex shall be applicable to and form an integral part of all administration arrangements for the Trust Fund (collectively, the “Administration Arrangements” and each an “Administration Arrangement”) 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 assist the Republic of Indonesia in closing its large public infrastructure gap by supporting the flow of private capital into infrastructure development and improving the institutional, legal and regulatory framework to enhance the ability of private capital and public institutions to work together for infrastructure development.

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:

   (a) providing advice on infrastructure policy and strategy, global practices in identification and preparation of projects, and organizational and institutional reform; and

   (b) providing analytical and advisory support, access to global knowledge, and capacity building.

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

   Providing support for government ministries, agencies and/or other institutions of the Republic of Indonesia to improve its capacity in supporting infrastructure delivery. The activities can consist of, but are not limited to, technical assistance and advisory services, infrastructure master planning, sectoral assessments of public and private investment needs, legal and regulatory review, capacity building, training, institutional and organizational reform and public information.

3. Eligible Expenditures

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

   (a) associated overhead;
   (b) consultants fees individuals with indirect costs and firms;
   (c) contractual services;
   (d) equipment purchase;
   (e) equipment and office premises least cost;
   (f) extended term consultants with indirect costs;
   (g) field assignment benefit;
   (h) media workshops and meetings;
   (i) staff costs with indirect costs;
(j) temporary staff costs with indirect costs; and
(k) travel expenses

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

(a) consulting;
(b) goods and services;
(c) incremental operating cost; and
(d) training, workshops and secondment program.

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. Transfer of Assets

5.1 Any assets financed under the category of equipment purchase in Section 3.1(d) of this Annex shall be transferred to the Republic of Indonesia upon completion of the Trust Fund activities.
This Annex shall be applicable to and form an integral part of all Administration Arrangements 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 Arrangement 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 Arrangement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Arrangement 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 Arrangements. 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. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Installment, an amount equal to two percent (2%) per Installment as an administrative fee for the Trust Fund.

3.2 In addition, costs incurred by the Bank for other expenses, such as for program management and Trust Fund administration, that are: (i) not covered by the percentage deduction specified above as an administrative fee; and (ii) not included under Annex 1 of the Administration Arrangements in accordance with the Bank’s applicable policies and procedures shall be charged to the Trust Fund on an actual basis up to a maximum of seven point zero six percent (7.06%) of the total Contributions under all Administration Arrangements.

3.3 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 Arrangement, 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 Arrangements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Arrangements or from new Donors under new Administration Arrangements.

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 arrangement 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 Arrangements (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 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 June 30, 2021 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Arrangement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Arrangements 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 Arrangement 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 arrangements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Arrangement, including any Grant Arrangements, 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 Arrangement; unless otherwise agreed between the Bank and the Donor.
7. **Disclosure; Dispute Resolution**

7.1 The Bank shall disclose the Administration Arrangements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Arrangements, the Donors consent to such disclosure of their respective Administration Arrangements 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 Arrangements.

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 arrangements (the “Grant Arrangements”) with recipients (the “Recipients”) consistent with the purposes of this Administration Arrangement and on the terms and conditions set forth in the Grant Arrangements. Grant Arrangements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Arrangements between the Bank and the Donors.

8.2 The Bank shall be responsible for the supervision of the activities financed under any Grant Arrangements. 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 Arrangements and of any contractual remedies that are exercised by the Bank under any Grant Arrangements. 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.
ANNEX 3

Governance

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

1. Steering Committee. There shall be established a Steering Committee to be chaired by the Bank's Country Director for Indonesia or his/her designate and consisting of a senior-level representative of the government of the Republic of Indonesia and a senior-level representative of each donor.

2. The Steering Committee shall be responsible for:

   (a) annually reviewing and approving the overall proposed Trust Fund strategy and policy priorities in relation to the Trust Fund objective;
   (b) annually reviewing progress of the implementation of activities against the results-based framework provided in the annual report referred to in Section 5.1 of Annex 2 to this Agreement, which shall be submitted to the Steering Committee by the Bank, and providing strategy and policy recommendations based on this review; and
   (c) approving annual work plans.

3. The Steering Committee shall meet at least once a year.