

Administration Arrangement between the Ministry of Finance of the Government of Japan and the International Bank for Reconstruction and Development and the International Development Association concerning the GFDRR Multi-Donor Trust Fund for Supporting Disaster and Climate Resilience in Developing Countries (Trust Fund No. 073410)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Ministry of Finance of the Government of Japan (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of five million United States dollars (USD 5,000,000) (the “Contribution”) for the GFDRR Multi-Donor Trust Fund for Supporting Disaster and Climate Resilience in Developing Countries (Trust Fund No. 073410) (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 shall be used to finance the activities set forth in the “GFDRR Multi-Donor Trust Fund for Supporting Disaster and Climate Resilience in Developing Countries Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Arrangement, 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 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 - USD 2,000,000
- (B) By June 30, 2020 - USD 1,000,000
- (C) By June 30, 2021 - USD 1,000,000
- (D) By June 30, 2022 - USD 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 discuss and agree to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

5. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for Trust Fund No. 073410 (the GFDRR Multi-Donor Trust Fund for Supporting Disaster and Climate Resilience in Developing Countries), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

6. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Arrangement 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”):

Julie Dana
Practice Manager
Climate Change
The World Bank
1818 H Street NW
Washington, DC 20433
Tel: +1 202 458 4138
E-mail: jdana@worldbank.org

For the Donor (the “Donor Contact”):

Mr. Yasuaki Yoneyama
Director
Multilateral Development Banks Division
International Bureau
Ministry of Finance
3-1-1 Kasumigaseki, Chiyoda-ku
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Japan
Tel: +81-3-3581-4111 Ext. 2915
Fax: +81-3-5251-2139
E-mail: Yasuaki.yoneyama@mof.go.jp

7. In the event any amounts are to be returned to the Donor under this Administration Arrangement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank. When making any deposit, the Bank shall 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 Trust Fund No. 073410 (the GFDRR Multi-Donor Trust Fund for Supporting Disaster and Climate Resilience in Developing Countries), and the date of the deposit. The Bank shall 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 shall constitute the entire agreement 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.

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10. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Arrangement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Arrangement, and upon possession by the Bank of this fully signed Administration Arrangement, this Administration Arrangement shall become effective as of the date of the last signature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: *Ethel Sennhauser* Date: 15-Nov-2019
Ethel Sennhauser
Acting Vice President
Sustainable Development

MINISTRY OF FINANCE OF THE GOVERNMENT OF JAPAN

By: *Masanori Yoshida* Date: 13-Nov-2019
Masanori Yoshida
Executive Director

**GFDRR Multi-Donor Trust Fund for Supporting Disaster and
Climate Resilience in Developing Countries 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. **Objective**

The objective of the Trust Fund is to support developing countries mainstream disaster and climate resilience measures and implement the Sendai Framework for Disaster Risk Reduction 2015-2030.

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) **Mainstreaming of Disaster and Climate Risk Management.** Carrying out of capacity-building and technical assistance activities, including the development of technical and analytical products with sub-national, national or regional scope, to assist developing countries mainstream disaster risk management (DRM), focused on the following areas: (i) production and use of risk assessments, risk profiles, and hazard maps; (ii) assessment of building regulations; (iii) land-use planning assessment; (iv) development of national risk governance policies, strategies, and plans; (v) design of national and subnational action plans; (vi) preparatory work and feasibility studies for risk reduction investments; (vii) mainstreaming gender-responsive DRM; (viii) community-based DRM and CCA; and (ix) community engagement processes.
- (b) **Support to Disaster Preparedness and Resilient Recovery.** Carrying out of capacity-building and technical assistance activities, including the development of technical and analytical products with sub-national, national or regional scope, to assist disaster-affected countries improve the quality and timeliness of their recovery and reconstruction, focused on the following areas: (i) the carrying out of protocols and methodologies to promote participatory, inclusive and gender-sensitive approaches to assessments and planning; (ii) development of disaster contingency and preparedness plans; (iii) strengthening of early warning systems; (iv) modernization of hydromet services; and (v) feasibility studies on and the design of adaptive financial protection instruments.
- (c) **Piloting of Innovative Solutions and Interventions.** Carrying out of capacity-building and technical assistance activities, including the development of technical and analytical products, to advance cross-cutting thematic areas of strategic importance in DRM, focused on the following areas: (i) the application of new solutions or technologies to DRM and resilience-building with the ability to accelerate impact; (ii) analytical and knowledge products; and (iii) disaster and conflict nexus activities.
- (d) **Deepening of Knowledge.** Provision of support to task teams, design and implementation of regional and global knowledge and outreach projects and knowledge management and exchange projects, including the development of knowledge and guidance notes and analytical products, production of flagship publications, organization of communities of

practice, organization of an Understanding Risk network and events, and workshops and conferences.

- (e) 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.

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.

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.

7. **Retroactive Financing**

7.1. The Trust Fund funds may be used to retroactively finance payments for eligible expenditures made as of November 6, 2019 in accordance with the Bank's applicable policies and procedures.

Standard Provisions

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

1. Administration of the Contributions

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

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

2. Management of the Contributions

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

2.2. The currency in which the funds in the Trust Fund shall be held is United States dollars (the "Holding Currency").

2.3. Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4. The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5. The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank's applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

3. **Accounting and Financial Reporting**

3.1. The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the *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.

4. **Progress Reporting; Review or Evaluation of Activities; Financial Management**

4.1. The Bank shall provide the Donors with annual written progress reports by June 30. 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:

- (a) take timely and appropriate action with respect to such allegations and, where relevant, seek appropriate redress, including potential sanctions;
- (b) 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;
- (c) 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;
- (d) take all necessary actions to recover funds that are the subject of an Investigation where the Bank has determined it as appropriate; and
- (e) 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 April 30, 2028 (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.

Governance

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

1. The Consultative Group, established under the Partnership Charter of the GFDRR as may be amended from time to time in accordance with its terms (the “Charter”), will have the following responsibilities with respect to the Trust Fund:

- (a) provide strategic direction to the Trust Fund program;
- (b) review and endorse the workplan; and
- (c) review and approve the annual report.

2. The Bank shall be responsible for the operation of the Trust Fund in accordance with the terms of this Administration Agreement, including with respect to the implementation of Bank-executed activities.

3. In case of conflict between any of the provisions of the Charter and those set forth in this Administration Agreement, the provisions of this Administration Agreement shall prevail.