OFFICIAL DOCUMENTS

Administration Agreement between the European Union represented by the European Commission and the International Development Association concerning the Somalia Multi-Partner Fund (TF No. TF072600, parallel account to the original account TF No. 072283) (Donor Reference No. FED/2017/393-426 / FED/2017/393-439 and FED/2017/393-444)

This Administration Agreement is concluded under Indirect Management in the context of the Framework Agreement between the World Bank Group and the European Commission dated April 15, 2016 (the “Framework Agreement” or “2016 Framework Agreement”), which sets the general conditions for this Administration Agreement. The Framework Agreement shall be applicable to and form an integral part of this Administration Agreement for the Trust Fund.

1. The International Development Association (the “Bank”) acknowledges that the European Union represented by the European Commission (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of seventeen million seven hundred fifty thousand EURO (17.750,000 EUR) (the “Contribution”) for the trust fund TF072600 in support of the program for the Somalia Multi-Partner Fund (the “MPF” or “Program”), in accordance with the terms of this Administration Agreement. TF No 072600 (this trust fund account) together with the parallel account to TF No. 072283 (the original trust fund account) constitute the “Trust Fund” or “MDTF Pool” and contribute to the Program. Other donors are also contributing to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Agreement.

2. The Contribution shall be used to finance the activities set forth in the “Description of the MPF” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and the provisions on “Governance” attached hereto as Annex 3.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section I 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 EUR 7,000,000
(B) First quarter 2019, EUR 7,000,000
(C) First quarter 2020, EUR 3,750,000

The period for payment of further Installments shall be 60 days. The period of payment of the balance shall be 90 days.

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 TF No072600 the Somalia Multi-Partner Fund), the Commission internal reference number and the date of the Administration Agreement, and the name of the Commission department responsible for the Trust Fund, and the date of the deposit (the “Deposit
Instructions). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

6. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party’s address specified below or at such other address as such Party notifies in writing to the other Party from time to time:

For the Bank (the “Bank Contact”):

Task Team Leader of the Somalia Multi-Partner Fund
Somalia, South Sudan, Sudan Country Management Unit
The World Bank
1818 H Street NW
Washington, DC 20433
U.S.A.
Tel: +1 202 473 1000
Fax: +1 202 522 1752

For the Donor (the “Donor Contact”):

Head of Cooperation
EU Delegation to the Federal Government of Somalia
Ragati Road, Union House, P.O. Box 30475
00100 Nairobi/Kenya
Tel: +254(0)20 280 2101
Fax: +254(0)20 271 0997

7. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank. 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 TF No. TF072600 (for the Somalia Multi-Partner Fund), and the date of the deposit. The Bank shall provide a copy of such information to the Donor.

8. Pursuant to Article 13.3 (b) of the Framework Agreement, the Bank shall charge an Indirect Rate (as defined in Annex 1 to this Administration Agreement) of 17% of direct costs of their personnel and consultants directly assigned to the Bank-executed activities, for which the Bank has operational responsibility, as described in Section 2.1 of Annex 1 to this Agreement. Trust Fund expenditures for Bank-executed activities listed in Section 2.1 of Annex 1 to this Administration Agreement relate only to those Bank-executed activities for which the Bank has operational implementation responsibility under the Trust Fund. They do not include the cost of Bank corporate services in support of the work carried out by its operational units implementing trust funds.

9. An indicative budget shall be available at the “Development Partner Center” website of the Bank. Such indicative budget shall be used for monitoring and reporting purposes only, shall not be binding and may be revised from time to time by the Bank; provided the Action (as defined in the Framework Agreement) is carried out as described in Annex 1 and the Donor is informed beforehand.
10. Expected results and corresponding indicators (including baselines, result goals and sources of data) are set out in the indicative results framework of the Trust Fund and shall be available in Annex 4 to this Agreement and posted on the “Development Partner Center” website of the Bank. Any modifications and/or updates to such indicative results framework shall be reflected in the version posted on Development Partner Center. The expected results and indicators shall be used for monitoring and evaluation purposes only, shall not be binding. Progress against such indicative results framework shall not be taken into account to determine the final amount of the Contribution to the Trust Fund by the European Commission.

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

12. Individual procurement and grant contracts under this Administration Agreement shall be signed by the Bank no later than 78 months from the date of effectiveness of this Administration Agreement.

13. Under Article 2.6 of the Framework Agreement, the following derogations from the Framework Agreement shall apply:

   (a) For the purposes of this Administration Agreement, this trust fund account together with the original trust fund account constitute the MDTF Pool to which the notional approach, set out under Article 14.1.4 and Attachment 8 of the Framework Agreement, shall apply.

   (b) Annex 2 of this Administration Agreement, reflecting differences with the analogous Annex in the template Administration Agreement attached to the 2016 Framework Agreement, applies to all donors to this Trust Fund because the Trust Fund is a joint multi-donor initiative. Nevertheless, this Administration Agreement is concluded in the context of the Framework Agreement and shall be interpreted in a manner consistent with the terms of the Framework Agreement.

14. The measures to be taken to identify the European Union as a source of financing shall be in accordance with Attachment 4 of the Framework Agreement.

15. All Annexes hereto and the Framework Agreement constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. In the event of any inconsistency, the Framework Agreement prevails over the Administration Agreement and this Administration Agreement prevails over its Annexes. Unless otherwise specified in an Annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor; provided, however, that any Annexes to this Administration Agreement may be amended only by written amendment of all donors contributing to the Trust Fund.
16. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

INTERNATIONAL DEVELOPMENT ASSOCIATION
By:
Name: Bella Bird
Title: Country Director for Somalia, Tanzania, Burundi and Malawi
Date: 15th December 2017

EUROPEAN UNION represented by the EUROPEAN COMMISSION
By:
Name: Filat Palmer
Title: Head of Cooperation, European Union Delegation to Somalia
Date: 11th December 2017

Attachments:
Annex 1 – Description of the MPF
Annex 3 – Governance
Annex 4 – Indicative Results Framework Indicators
ANNEX 1

Description of the MPF

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 principal objective of the Trust Fund is to provide a platform for coordinated financing for the sustainable reconstruction and development of Somalia, as outlined in the Somali Compact covering 2014-2016 that was endorsed at the multi-stakeholder Brussels Conference in September 2013 (the “Somali Compact”), with a focus on core state functions and socio-economic recovery, including to:

(a) Foster socio-economic recovery and stabilization by (i) supporting the payment of civil service salaries and the running costs of government institutions, and (ii) by financing technical assistance and supporting the building blocks of larger public investment programs across a range of sectors;

(b) Strengthen core government functions by focusing on the budget framework and public financial management systems;

(c) Facilitate policy dialogue between international and national actors and promoting mutual accountability by positioning the Trust Fund as part of the governance of the Somali Development and Reconstruction Facility (the “SDRF”); and

(d) Increase the coordination of international financial support and its alignment with Peace and Statebuilding Goals of the Somali Compact and any successor document.

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) Processing project proposals, including appraising, monitoring, supervising and evaluating the execution of recipient-executed activities funded by the Trust Fund, as well as assessing the impact of such activities;

(b) In addition to regular progress reporting for the Trust Fund, providing Trust Fund and project information to the SDRF to enable common progress monitoring and enhance information sharing and lessons learned;

(c) Contracting a monitoring agent or agents for third-party supervision of activities financed by the Trust Fund at the portfolio and / or project level, including with respect to Recurrent Costs (as defined in paragraph 2.2(a) below), and implementing other measures to help manage fiduciary and other risks, as determined useful by the Bank;
(d) Providing a Somalia-based platform for administration, logistics, security and other support functions enabling Bank staff and consultants to undertake activities for the Trust Fund; and

(e) Undertaking knowledge and evaluation work, including analytical briefs, policy notes, other reports and recommendations, capacity building and training, South-South exchanges, and independent evaluations of projects funded by the Trust Fund and overall performance of the Trust Fund.

(f) Program management and administration activities for the Trust Fund, including, but not limited to, supporting any program governance arrangements and Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.

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

(a) Recurrent cost financing ("Recurrent Costs"), including payment of civil service salaries in non-security sectors (excluding the military and police), as well as core government functions support through capacity injection and institutional development; and

(b) Public investments that support longer-term socio-economic recovery and capacity building across a range of areas based on priorities identified in Somali development plans, including, but not limited to, capital investment, revenue mobilization, public finance management, urban and rural development, finance and private sector development, infrastructure, and service delivery.

3. Eligible Expenditures

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

(a) contractual services;
(b) equipment and office premises lease cost;
(c) equipment purchased;
(d) media, workshops, conferences and meetings;
(e) travel expenses;
(f) short-term consultants and temporaries;
(g) extended term consultants and temporaries; and
(h) staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries).

Any Equipment Purchased under (c) above shall be transferred to government authorities upon closure of the Trust Fund or earlier when no longer required to support Trust Fund operations, management or administration; provided such transfer is at no cost to the Bank and is on an “as-is, where-is” basis without any warranty or guarantee from the Bank. If such disposal method is not feasible, the Bank shall seek another means of disposal in conformity with Bank policies and procedures, including potentially donation to organizations that have a charitable or non-profit status.
3.2 For purposes of this section: (i) "staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)" includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; (ii) "extended term consultants and temporaries" includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) "short term consultants and temporaries" includes fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures.

3.3 The "Indirect Rate" means the indirect rate, defined as a percentage of personnel costs and available at the World Bank's Donor center secure website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

3.4 For Recipient-executed activities, the Trust Fund funds may be used to finance 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. Criteria

5.1 For Bank-executed activities, one or more of the following criteria are expected to be met:

a) Activities that enhance knowledge and/or build capacity that fosters socio-economic recovery and stabilization and/or strengthens core government functions;
b) Activities that support the effective implementation and supervision of activities funded by the Trust Fund and/or overall management of the Trust Fund.

5.2 For Recipient-executed activities, all of the following criteria are expected to be met:

a) Activities should reflect priorities expressed in country or regional development plans (e.g., priorities expressed in the Somali Compact and subsequent National Development Plan), and/or be considered in response to requests from government;
b) Activities should aim to foster socio-economic recovery and stabilization and/or strengthen core government functions;
c) Activities should use and/or build country systems to the extent permitted under applicable Bank policies and procedures, as determined by the Bank, or under applicable United Nations policies and procedures, as determined by the relevant United Nations organization, as the case may be; and
d) Activities should be undertaken only where a satisfactory level of supervision by the Bank or the relevant United Nations organization, as the case may be, can be assured.

5.3 All Bank-executed and Recipient-executed activities funded by the Trust Fund shall be consistent with the Bank's Articles of Agreement, policies and procedures.

6. Recipients
6.1 In addition to the Federal Government of Somalia, eligible recipients of Trust Fund funding would include sub-national governments, NGOs, the UN, and other implementation partners, subject to the Trust Fund's grant approval process.

7. Retroactive Financing

7.1 The Trust Fund funds may be used to retroactively finance payments for eligible expenditures made as of May 9, 2017 in accordance with the Bank's applicable policies and procedures.
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. Donors must contribute a minimum of one million United States Dollars (or the equivalent) to the Trust Fund.

1. Administration of the Contributions

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

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

2. Management of the Contributions

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

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

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

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.
2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

3. **Accounting and Financial Reporting**

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

3.2 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

3.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

3.4 If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. If such an audit is agreed to be necessary and if all donors to the Trust Fund concur with the relevant Donor’s request for such an audit, the Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

3.5 The Bank shall make available to the Donors copies of all financial statements and auditors’ reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank’s Access to Information Policy.

4. **Progress Reporting**

4.1 The Bank shall provide the Donors with semi-annual reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

4.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.
5. **Disbursement; Cancellation; Refund**

5.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by June 30, 2024 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2 Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in the Administration Agreement, unless otherwise agreed between the Bank and the Donor.

6. **Disclosure; Dispute Resolution**

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

6.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7. **Grants to Recipients**

7.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the “Grant Agreements”) with recipients (the “Recipients”) for Recipient-executed activities 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 net of amounts for Bank-executed activities.

7.2 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

7.3 The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.
8. **Trust Fund Fee**

8.1 The Bank shall calculate a fee each time funds (the “Grant Amount”) from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the “Calculation Date”). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the “Cumulative Grant Total”). The calculated fee shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:

1. 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
2. 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
3. 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
4. 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 1 billion or equivalent.

8.2 Following each Calculation Date, the Bank shall deduct from the Trust Fund, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in the Trust Fund net of the related fee.
ANNEX 3

Governance

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

As envisioned by the Somali Compact and subsequent National Development Plan (as defined in Annex 1), overall governance of the Trust Fund shall be provided through the SDRF (as defined in Annex 1), including its Steering Committee, which provides coordinated purview over multiple funding vehicles, including the Trust Fund. The Donors acknowledge and agree that the intention is for development financing for Somalia to increasingly transition towards the SDRF as a preferred channel for strategic prioritization and coordination of assistance to Somalia.

The SDRF Steering Committee governance terms are currently described in the terms of reference ("TORs") adopted by the SDRF Steering Committee on December 11, 2013. The Parties acknowledge and agree that these TORs are preliminary governance terms that will be reviewed and revised over time as part of an ongoing dialogue in Somalia and to enable flexible adaptation to changing conditions.

The governance terms applicable to the Trust Fund shall at all times be those applicable to the SDRF, as such terms may be amended or otherwise agreed by the SDRF Steering Committee (or its replacement over time), provided that any such governance terms are acceptable to the Bank in its role as trustee (the “Governance Terms”). The Parties further acknowledge and agree that the Governance Terms, at the time of establishment of the Trust Fund as they may be amended through the SDRF over time, shall be applicable to this Administration Agreement with effect as of the date agreed within the SDRF without needing additional amendments or signatures under this Administration Agreement.

The Trust Fund is established and shall proceed under the TORs with the following expectations of the Parties for future inclusion in or clarification of the Governance Terms:

1. The Bank shall, in connection with any prior consultations, look to the SDRF as the platform for programmatic decision making related to the Trust Fund.

2. Decision making for the SDRF Steering Committee shall at all times be based on consensus. Consensus need not reflect unanimity. A dissenting decision maker that does not wish to block a decision may nonetheless state an objection to be recorded in the meeting minutes (or by written statement for electronic decision making), in either case clarifying whether the statement is for the record only or intended to preclude agreement. The Chair articulates the consensus view. Consensus on decisions affecting the Trust Fund must include agreement of the Bank.

3. Decision making for the SDRF Steering Committee shall at all times be fully representative of all Donors to the Trust Fund, whether directly or indirectly. Full Donor representation on the SDRF Executive Steering Committee (or its replacement over time) shall be indirect, such as through rotational seats under the current TORs. All Donors to SDRF funding vehicles, including the Trust Fund, shall decide amongst themselves how to allocate such seats and constituency representation to ensure full donor representation.

4. Fair and transparent processes shall be used for the selection of civil society and regional representatives and the determination of constituency relationships. Membership matters shall at all times be subject to oversight by the SDRF Plenary Steering Committee (or its replacement over time).
5. Implementation under the Trust Fund shall at all times be in accordance with the Bank’s Articles of Agreement, policies and procedures (“Operating Terms”). This includes the requirement that any grants provided under the Trust Fund shall have received prior consent from the Federal Government of Somalia (“FGS”), including potential framework approaches agreed with the FGS to enable regional balance. Common monitoring, reporting, risk management or other standards, formats or requirements may be agreed within the SDRF with applicability to the Trust Fund, provided that the Bank shall have expressly agreed to such terms. In the event of conflict between the Bank’s Operating Terms and any terms made applicable to the Trust Fund through the SDRF, the Bank’s Operating Terms shall prevail.

6. A results framework and a risk framework for the Trust Fund will both be developed in the context of the SDRF Operations Manual, as well as SDRF procedures for identifying and processing projects, all of which may be reviewed and revised over time by the SDRF Steering Committee and shall neither augment the rights or obligations in the Administration Agreement nor otherwise have legal effect, but they will be used to enable meaningful progress reporting and evaluations. Progress reporting under the Administration Agreement will reflect the SDRF-agreed results framework.

7. The Aid Coordination Unit (“ACU”) housing the Secretariat of the SDRF shall be sponsored by the FGS for purposes of providing support to the governing bodies of the SDRF without becoming involved in project implementation or Trustee functions under the Trust Fund. Support provided by the Bank to the ACU shall at all times be mindful of the distinction between the ACU’s role relative to the Bank’s fiduciary and supervisory role under its applicable policies and procedures.

8. It is understood that donors may at their initiative and in their discretion decide to convene as a group apart from the SDRF. Such separate convenings are expected to enable coordination that supports the SDRF.

9. Any oversight functions of the SDRF shall not include oversight of the Trustee and Trust Fund operations, which shall remain at all times under Bank oversight.

10. Any dispute resolution mechanism developed for the SDRF shall not affect the Bank’s operation of the Trust Fund or create any liability for the Trustee.

The Parties recognize that the above expectations are not fully articulated, agreed or operative as part of the governance of the SDRF, which includes government and other participants. It is understood that failure on the part of the SDRF to reach consensus along the lines of the above expectations may be grounds for the Trustee to adjust its participation in the Trust Fund and the SDRF.

For clarity, the Somali Compact and subsequent National Plan serve as a backdrop for the SDRF and by extension the Trust Fund without having direct legal effect on this Administration Agreement. In the event of conflict between this Administration Agreement and the Somali Compact, or any other document relating to the SDRF, this Administration Agreement shall prevail.
## INDICATIVE RESULTS FRAMEWORK INDICATORS

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FGS: 95</th>
<th>PL: 0.72</th>
<th>FGS: 120</th>
<th>PL: 1</th>
<th>FGS: 144</th>
<th>PL: 1.3</th>
<th>FGS: 172</th>
<th>PL: 1.5</th>
<th>PFM II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in real terms of domestic revenue collection (US$ million)</td>
<td></td>
<td>(Dec-14)</td>
<td></td>
<td>(Jan-Aug 2014)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased contribution of ICT Sector to the public treasury (US$ million)</td>
<td>3.2 (2014)</td>
<td></td>
<td>10</td>
<td>US$ 11 m</td>
<td>US$ 12 m</td>
<td>ICT II</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced variance between actual primary expenditure and the originally budgeted primary expenditure. (%)</td>
<td>FGS: 45 (Dec 2013)</td>
<td>FGS: 43 (Dec 2015)</td>
<td>FGS: 40</td>
<td>FGS: 30</td>
<td>FGS: 20</td>
<td>PFM II</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Procedures

- manual for tax administration
- disseminated and training conducted
- Revenue Mobilization Plan developed
- Ad hoc approach to recruitment (on track)
- TA Firm recruited to support development of revenue mobilization plan

1 Measured at end of year; Will be updated in next report.
<table>
<thead>
<tr>
<th>Step</th>
<th>Target</th>
<th>Outcome</th>
<th>Follow Up</th>
</tr>
</thead>
<tbody>
<tr>
<td># of monthly payroll reports published on MoF Website</td>
<td>4</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td># of contracts / concessions reviewed by FGC (cumulative)</td>
<td>12</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td># of FGC confidential assessments for which there is evidence of follow up in line with recommendations</td>
<td>NA</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td># of FGC confidential assessments posted on the MoF Website</td>
<td>0</td>
<td>13</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sustainable payments for civil servants</th>
<th>0</th>
<th>30%</th>
<th>50%</th>
<th>70%</th>
<th>RCRF II</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of eligible civil servants' salaries in non-security sectors paid on time*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average days between FGS salary payments</td>
<td>37</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>MA</td>
</tr>
<tr>
<td>Share of salaries of non-security civil servants financed by government</td>
<td>0</td>
<td>50.1% (Average Jan-Sept)*</td>
<td>30%</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>(Mar-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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*Available at http://mof.gov.so/monthly-payroll-report/.

**No specific target set, as this is not technically an official indicator of the RCRF II results framework. However, until the timeliness of salary payments improves, this indicator will be tracked in order to better monitor progress in payroll timeliness.

*Nominal payroll months Jan-May 2016 included.
% of injected staff with salaries compliant with harmonized pay scale

Staff appointed to key positions by CIM through approved procedure (cumulative)

Ministries / agencies with operational HR & FM functions

*Paid on time means ready for payment with the CBS or the commercial government between the government statutory pay period of 25th and 30th of the month
<table>
<thead>
<tr>
<th>Policy note with suggestions for a federal framework for education service delivery</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>Yes</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td># of regional administrations accompanying project design and implementation (consultation, identification, procurement, and implementation processes)</td>
<td>0</td>
<td>2²</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>SFF-LD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># of new business licenses issued under the Licensing Act during the SCORE project (cumulative)</th>
<th>0</th>
<th>80</th>
<th>200</th>
<th>300</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td># of diagnostic reports on legal, regulatory, institutional and infrastructure setting aimed at supporting private sector development (cumulative)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Legal, regulatory and fiscal framework for petroleum sector reviewed</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>ICT licensing and taxation</td>
<td>No</td>
<td>–</td>
<td>Yes</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

² Only includes projects supported through MPF funding. An additional two regions are accompanying project design and implementation through the SFF-LD with funding from the UN National Window.
<table>
<thead>
<tr>
<th>Framework Established</th>
<th>Ease of Doing Business Survey conducted annually</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>Yes</th>
<th>SICRP</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Public Private dialogues on private sector development (cumulative)</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>SICRP</td>
<td></td>
</tr>
<tr>
<td>Private Capital Mobilized (US$ million cumulative)</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>10</td>
<td>SCORE</td>
<td></td>
<td></td>
</tr>
<tr>
<td># of direct jobs created in enterprises supported by the catalytic fund (cumulative, disaggregated for women &amp; youth)</td>
<td>T: 100</td>
<td>T: 500</td>
<td>T: 2000</td>
<td>W: 30</td>
<td>W: 150</td>
<td>W: 650</td>
<td>Y: 40</td>
</tr>
<tr>
<td># of diagnostic reports on legal, regulatory, institutional and infrastructure setting aimed at supporting orderly financial sector development (cumulative)</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>12</td>
<td>SCORE</td>
<td></td>
<td></td>
</tr>
<tr>
<td># of recommended laws / regulations / amendments / codes enacted or policies adopted for financial and private sector development (supported by SCORE project, cumulative)</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>15</td>
<td>24</td>
<td>SICRP</td>
<td>&amp;</td>
</tr>
<tr>
<td>Key regulations drafted for Money Transfer Operators (MTOs) (Customer Registration, AML/CFT/Operational)</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>--</td>
<td>SRFS</td>
<td></td>
</tr>
<tr>
<td>MTBs receiving on or off-site supervision by joint CBS/Trusted Agent Supervision team</td>
<td>0</td>
<td>12</td>
<td>2</td>
<td>4</td>
<td>—</td>
<td>SRFS</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

| # of municipal Power Master Plans developed | 0 | 1 | 2 | 3 | — | Energy |
| Feasibility assessments and preliminary plans developed for urban investments | 0 Behind schedule, but all 3 expected by Feb-16 | 3 | — | — | SUIPP |
| Validated wind maps for the Horn of Africa | — | Wind model developed | Wind model developed & masts erected | Data generated from masts | Validated map and model developed | Energy |
| Increased international internet bandwidth per inhabitant (Bit/s) | *85 (2014) | 500 | 510 | 680 | 850 | ICT II |
| Km of roads rehabilitated | 0 | 14 km | 30 km | — | SFF-LD |
| Direct beneficiaries of infrastructure projects financed through intra-governmental transfers | 0 (construction beginning in Dec-16) | 250,000 | 1 m | — | SFF-LD |

The results framework is indicative and is subject to change without the need for further amendment to this Administration Agreement. Modifications to the results framework shall be posted on Development Partner Center. The results framework is for monitoring and evaluation purposes only.