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 and the International Bank for Reconstruction and Development and the International Development Association concerning the Energy Sector Capacity Building Project Single-Donor Trust Fund (No.TF072034)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Government of Canada as represented by the Minister for International Development acting through the Department of Foreign Affairs, Trade and Development (DFATD) (the “Donor”), agrees to provide the sum of fifteen million and five hundred thousand Canadian Dollars (CAD 15,500,000) (the “Contribution”) for the Energy Sector Capacity Building Project (ESCBP) Single-Donor Trust Fund, (No.TF072034) (the “Trust Fund”) in accordance with the terms of this Administration Arrangement.

2. The Contribution will be used to finance the activities set forth in the “Energy Sector Capacity Building Project (ESCBP) Single-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.

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 CAD $5,000,000 for DFATD’s FY2013/14
   (B) By July 1, 2014, CAD 3,850,000 for DFATD’s FY2014/15
   (C) By July 1, 2015, 2014 CAD 5,970,000 for DFATD’s FY2015/16
   (D) By July 1, 2016 CAD $680,000 for DFATD’s FY2016/17

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 TF072034 (the Energy Sector Capacity Building Project (ESCBP) Single-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor will provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

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’s 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”):

Nataliya Kulichenko
Senior Energy Specialist
AFTG1/SDN
The World Bank, Tanzania Country Office
50 Miramba Street
P.O. Box 2054
Dar es Salaam, Tanzania

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E-mail: nkulichenkogworldbank.org E-mail: ahuurdeman@worldbank.org

For the Donor (the “Donor Contact”):

DFATD Head of Cooperation
DFATD Office in Tanzania
38 Mirambo at Garden, Dar es Salaam, Tanzania
Tel: +255 22 216 3300
Fax: +255 22 211 6897
E-mail: patricia.mccullagh@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 applicable donor balance account with the Bank, unless otherwise agreed with the Bank.

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 DFATD’s appropriation is changed by the Parliament of Canada, DFATD 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 as required.

11. Where appropriate to do so, the Bank will acknowledge the Contributor's contribution in any reference made by the Bank with respect to the Energy Sector Capacity Building Project (ESCBP) Trust Fund in publications, speeches, press releases or other similar publications

12. All annexes hereto constitute an integral part of this Administration Arrangement, whose terms taken together will 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.

13. It is understood that this Administration Arrangement, including any annexes, is not an international treaty

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 Bank and the Donor are each requested to sign and date this Administration Arrangement, and upon possession by the Bank of this
fully signed Administration Arrangement, this Administration Arrangement will become carried out as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]
Name: PHILIPPE DONGIER
Title: COUNTRY DIRECTOR
Date: AUGUST 29, 2013

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

By: [Signature]
Name: PATRICK McFALL
Title: SR. DIRECTOR, HEAD OF COOPERATION
Date: AUG 29, 2013
**Energy Sector Capacity Building Project (ESCBP) Single-Donor Trust Fund Description**

This Annex will be applicable to and form an integral part of the Administration Arrangement for the Trust Fund between the Bank and the Donor.

1. **Objectives**

The objectives of the Trust Fund is to strengthen the capacity of the Government of Tanzania (GoT) to develop its natural gas sector and public private partnerships (PPPs) for the power generation sector.

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) Carrying out an enhanced supervision for the management and coordination of the Project and the Trust Fund.

   (b) Provision of technical assistance on key issues relating to petroleum policy and legal framework, institutional sector management and governance, education and skills development, and power generation and natural gas public private partnership projects.

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

These components will co-finance the IDA supported Energy Sector Capacity Building Project (ESCBP).

**Component A**

Provision of technical assistance to Recipients for updating: (i) the GoT Petroleum Policy and Strategy with the aim of maximizing value arising from natural gas development (financial, social, and environmental); and (ii) the Legal and Regulatory Framework for the gas sector to reflect the GoT’s policies and strategies for the sector with the view of attract foreign and local investments to the sector.

**Component B**

Provision of technical support for: (i) strengthening sector coordination and governance; (ii) enhancing organizational capacity; (iii) carrying out environmental and social management activities under the Project; and (iv) carrying out health and safety management activities under the Project.

**Component C**

Carrying out capacity building activities for the Vocational Education and Training Authority (VETA) to increase the availability of vocational training capacity for the GoT’s gas sector in alignment with the projection of employment growth in the public and private parts of the sector.
Component D

Building the GoT’s capacity and its institutions (MEM and TANESCO) to attract and develop power generation projects with private sector sponsors/financing (excluding deals based on Tanzania’s small power producers SPP framework).

Component E

Support to the Project Steering Committee as well as the Project Management Teams (PMT) of the four Implementing Agencies (IAs), namely MEM, TANESCO, TPDC and EWURA through the provision of technical advisory services, training, operating costs and acquisition of goods.

3. Eligible Expenditures

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance: (a) Associated overheads; (b) Contractual services; (c) Extended term consultants; (d) Media, workshop, conference and meeting; (e) Staff costs – no indirect cost; (f) Temporary staff costs – No Indirects; (g) Consultant fees individuals and firms; (h) Equipment and office premises lease cost; (i) Extended Term consultants – No Indirects; (j) Field assignment benefits; (k) Staff Costs with indirects; (l) Temporary support staff costs; and (m) Travel expenses.

3.2 For Recipient-executed activities, the Trust Fund funds may be used to finance: (a) Consulting; (b) Goods; (c) Operating Costs; (d) Training; and (e) Other.

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.
Standard Provisions

This Annex will be applicable to and form an integral part of the Administration Arrangement for the Trust Fund between the Bank and the Donor, it being understood that any plural references in the annexes to Donors, Administration Arrangements, Contributions and pro rata shares will be read as singular references to the Donor, its Administration Arrangement, its Contributions thereunder and the remaining uncommitted balance of the Trust Fund, respectively.

1. Administration of the Contributions

1.1 The Bank will be responsible only for performing those functions specifically set forth in this Administration Arrangement and will 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 will 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”) will 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 will be accounted for as a single trust fund and will 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 will 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 will 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 will 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 will 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 will transfer all income from such investment to the Donor's applicable donor balance account with the Bank.

3. **Trust Fund Fees and Costs**

3.1 The Bank will 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 I of the Administration Arrangements in accordance with the Bank's applicable policies and procedures will be charged to the Trust Fund on an actual basis up to a maximum of one and twenty seven hundredths percent (1.27%) 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 will maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

4.2 The Bank will 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 will be made available to the Donors via the World Bank's Trust Funds Donor Center secure website.

4.3 The Bank will 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 will 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 will first consult as to whether such an external audit is necessary. The Bank and the Donor will agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank will arrange for such
external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, will be borne by the requesting Donor.

4.5 The Bank will 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.

5. **Progress Reporting**

5.1 The Bank will 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 will 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 will agree on the scope and conduct of such review or evaluation, and the Bank will 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, will 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 November 30, 2018 (the “End Disbursement Date”). The Bank will 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 will 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 agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Arrangement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank will return to the relevant Donor or Donors in the Holding Currency in the manner specified by each such Donor in its respective Administration Arrangement the pro rata share(s) of any such uncommitted balance of the Trust Fund, in accordance with any additional terms that may be agreed between the Bank and each such Donor.

7. **Disclosure; Dispute Resolution**

7.1 The Bank will 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 will 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 will, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the “Grant Agreements”) with recipients (the “Recipients”) consistent with the purposes of this Administration Arrangement 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 Arrangements between the Bank and the Donors.

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

8.3 The Bank will 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 will afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.