March 28, 2012

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Mr. Ken Neufeld
Director
Southern and Eastern Africa Directorate
Canadian International Development Agency
Canadian High Commission
Ave Kenneth Kaunda 1138
Maputo
MOZAMBIQUE

Trust Fund Administration Arrangement between the Government of Canada as represented by the Minister for International Cooperation acting through the Canadian International Development Agency and the International Development Association concerning the Support for Nutrition Activities and Policies in Malawi Multi-Donor Trust Fund (TF No. TF071861)

Dear Mr. Neufeld:

1. We are pleased to acknowledge on behalf of the International Development Association ("IDA" or the "Bank") the intention of the Government of Canada, as represented by the Minister for International Cooperation acting through the Canadian International Development Agency (the "Donor") to make available as a grant the sum of thirteen million five hundred thousand Canadian Dollars (CAD 13,500,000) (the "Contribution") for the Support for Nutrition Activities and Policies in Malawi Trust Fund (the "Trust Fund") in accordance with the terms of this Arrangement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Arrangement.

2. The Contribution will be used exclusively to finance the activities and the categories of expenditure set forth in the "Description of Activities and Expenditures under the Support for Nutrition Activities and Policies in Malawi Trust Fund" attached hereto as Annex 1, and will be administered by the Bank on behalf of the Donor in accordance with the terms of this Arrangement including the "Standard Provisions Applicable to the Support for Nutrition Activities and Policies in Malawi Multi-Donor Trust Fund" (the "Standard Provisions") attached hereto as Annex 2.
3. The Donor will deposit the Contribution into such bank account designated by the Bank promptly following countersignature of this Agreement by the Donor and submission of a payment request by the Bank.

4. When making such deposit, the Donor will instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor for TF071861 (the Support for Nutrition Activities and Policies in Malawi Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instruction”). In addition, the Donor will provide a copy of the Donor’s Deposit Instruction to the Bank’s Accounting Trust Funds Division by e-mail sent to tFremitadvice@worldbank.org or by fax sent to (202) 614-1315.

5. The Bank will convert the Contribution funds into the holding currency of the Trust Fund, namely United States Dollars, promptly upon receipt of the Contribution funds and the Deposit Instruction containing the information specified in paragraph 4 at the exchange rate obtained by the Bank on the date of the conversion. Where the Contribution proves to be insufficient to complete the activities as a result of an exchange rate fluctuation, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

6. Except as provided for in paragraph 4 above, any notice, request or other communication to be given or made under this Arrangement will be in writing and delivered by mail, facsimile 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:

Name: Menno Mulder-Sibanda
Title: Senior Nutrition Specialist, AFTHE
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: 202-458-7724
Fax: 202-473-8216
E-mail: mmuldersibanda@worldbank.org
For the Donor:

Ken Neufeld
Director
Southern and Eastern Africa Directorate
Canadian International Development Agency
Canadian High Commission
ave Kenneth Kaunda 1138 Maputo, Mozambique

Tel: +258-21-492-623/4
Fax: +258-21-492-667
E-mail: Ken.Neufeld@international.gc.ca

7. To the best knowledge of the Bank and the Donor:

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

(b) No member of the Canadian House of Commons will be admitted to any share or part of this Arrangement or to any benefit to arise therefrom.

(c) 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 Arrangement.

(d) Any payment to be made under this Arrangement is subject to there being an appropriation by the Parliament of Canada for the fiscal year in which the payment is to be made. If CIDA's appropriation is changed by the Parliament of Canada, CIDA may reduce the Grant or terminate this Arrangement.

8. All annexes hereto constitute an integral part of this Arrangement. This Arrangement may be amended only in writing between the Bank and the Donor; provided, however, that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.

9. This Arrangement is not an international treaty. It is an administrative arrangement between the Bank and the Donor.
10. Please confirm your understanding with the foregoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your record and returning the other original to the Bank. Upon receipt by the Bank of the original Arrangement countersigned by you, this Arrangement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Tawhid Nawaz 3/28/2012
Operations Adviser
Health, Nutrition and Population
Africa Region

CONFIRMED AND AGREED:

THE GOVERNMENT OF CANADA,
as represented by the MINISTER
FOR INTERNATIONAL COOPERATION
acting through the CANADIAN
INTERNATIONAL DEVELOPMENT AGENCY

By: [Signature]
Name: [Name]
Title: [Title]
Date: 2012-03-28
ANNEX 1

Description of Activities and Expenditures under the Support for Nutrition Activities and Policies in Malawi Multi-Donor Trust Fund

This Annex will be applicable to and form an integral part of all agreements entered into between the Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

(i) Bank-Executed Trust Fund Activities:

The Bank-executed trust fund activities will comprise the regular supervision and implementation support missions to Malawi by members of the World Bank Task Team including consultants; the hiring of consultants for specific assignments aimed at enhancing the performance of the nutrition project activities; the hiring of extended term consultants to provide onsite support to the World Bank Task Team and the Implementing Agency; meetings and workshops with stakeholders of the nutrition project activities; and any contractual services in support of the above cited activities.

(ii) Recipient-Executed Trust Fund Activities:

Maternal and Child Nutrition Service Delivery

Carrying out of a program of activities designed to strengthen maternal and child nutrition service delivery at community level, including activities aimed at enhancing: (i) infant and young child feeding practices; (ii) home based care of and care seeking for common infectious diseases; (iii) hygiene and utilization of safe water and sanitation; (iv) prevention of parasitic infections; (v) iron intake by women and children; (vi) dietary intake by women before, during and after pregnancy; (vii) household care of pregnant women and utilization of antenatal services; (viii) increased spacing of pregnancies for mothers postpartum; and (ix) adequate weight gain in children under two and pregnant women; all through the provision of Subgrants.

(b) Policy and Program Development, Management and Coordination

Carrying out of a program of activities designed to strengthen capacity of the DNHA for policy and program development, coordination, management, monitoring and evaluation of the Recipient’s nutrition program at central and District level, including provision of operating costs.
B. CATEGORIES OF EXPENDITURE

For Bank-Executed activities the Contributions may be used to finance (a) associated overheads (b) consultant fees (for individuals and firms), (c) contractual services, (d) extended term consultants, (e) field assignment benefits, (f) media, workshop, conference and meetings, (g) staff costs-with indirect costs, (h) staff costs – no indirect costs, (i) temporary support staff costs and (j) travel expenses.

For Recipient-Executed activities, the Contributions may be used to finance (a) consultants’ services (b) goods (c) operating costs, and (d) training.

The foregoing categories of expenditures may include the financing of taxes.
ANNEX 2

in Malawi Multi-Donor Trust Fund

This Annex will be applicable to and form an integral part of all agreements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

1. Administration of the Contributions

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

1.2. The Contribution 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 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 Donor acknowledges 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 the Donor, nor shall it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contributions will be accounted for as a single trust fund and will be kept separate and apart from the funds of the Bank. The Contributions may be commingled with other trust fund assets maintained by the Bank.

2.2. The Contributions may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

2.3. The Bank will invest and reinvest the Contributions pending their disbursement in accordance with the Bank’s policies and procedures for the investment of trust funds administered by the Bank. The Bank will credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.
3. **Administrative Cost Recovery**

3.1. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, the Bank may deduct and retain for its own account an amount equal to 2% of each Contribution. In addition, costs for trust fund administration up to a maximum of .9% will be charged to the Trust Fund on an actual basis. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration agreement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

4. **Grant to Recipient**

4.1. The Bank will, as administrator of the Trust Fund on behalf of the Donors, enter into a grant agreement (the “Grant Agreement”) with the Republic of Malawi (the “Recipient”) consistent with the purposes of this Arrangement and on the terms and conditions set forth in the Grant Agreement. Grant Agreement 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. Upon request by a Donor, the Bank will furnish a copy of the Grant Agreement to the Donors.

4.2. The Bank will be responsible for the supervision of the activities financed under the Grant Agreement. Subject to the consent of the Recipient, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

4.3. The Bank will promptly inform the Donors of any significant modification to the terms of any Grant Agreement and of any contractual remedies that are exercised by the Bank under any Grant Agreement. 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.

5. **Procurement**

5.1. For Recipient-executed activities, the Grant Agreement will provide that the Contributions will be used by the Recipient to finance expenditures for goods and services, as the case may be, in accordance with the Bank’s Guidelines on “Procurement under IBRD Loans and IDA Credits” and the Bank’s Guidelines on the “Selection and Employment of Consultants by World Bank Borrowers,” as in effect at the date of entry into the respective Grant Agreement.

5.2. For Bank-executed activities, the employment and supervision of any consultants and the procurement of any goods financed by the Contributions will be the responsibility of the Bank and will be carried out in accordance with its applicable policies and procedures.
6. **Accounting and Financial Reporting**

6.1. The Bank will maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund account and disbursements made therefrom.

6.2. The Bank will furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund 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 of the Trust Fund with respect to the Contributions will be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

6.3. The Bank will provide to the Donors, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (1) 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 (2) 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.

6.4. 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 shall 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 paid by the requesting Donor.

6.5. The Bank shall provide the Donors with copies of all financial statements and auditors’ reports received by the Bank from the Recipient pursuant to the Grant Agreements.

7. **Progress Reporting**

7.1. The Bank will provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.2, the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

7.2. Any Donor may review or evaluate activities financed by the Trust Fund. 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 its policies and procedures. All associated costs 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.

8. **Disbursement; Cancellation; Refund**

8.1. It is expected that the Contributions will be fully disbursed by the Bank by June 30, 2016. The Bank will only disburse Contributions for the purposes of this Arrangement after such date with the written approval of the Donors.

8.2. Any Donor or the Bank may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share, of any remaining balance of the Contributions that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Arrangement prior to the receipt of such notice, including the Grant Agreement.

8.3. Following the final disbursement date specified in paragraph 8.2, the Bank will return any remaining balance of the Contributions to the Donors or to the relevant Donor Balance Account on a pro rata basis based on the Donors’ paid Contributions. In the event of a cancellation the Bank will promptly return to the relevant Donor or Donors or to the relevant Donor Balance Account the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 8.2.

9. **Disclosure**

The Bank will disclose this Arrangement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Arrangement, Donors consent to disclosure of this Arrangement and related information on this Trust Fund.