

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 473-1000
Cable Address: INTBAFRAD
Cable Address: INDEVAS

Date: 6/5/12

Mr. Bob Quiggin
A/g Assistant Director General
Food Security, Infrastructure, Mining and Trade Branch
GPO Box 887
Canberra ACT 2601
AUSTRALIA
+61 2 6206 4083

Trust Fund Administration Agreement between the Commonwealth of Australia, acting through the Australian Agency for International Development, and the International Bank for Reconstruction and Development and the International Development Association concerning the Multi-Donor Trust Fund for the Extractive Industries Technical Advisory Facility (EI-TAF) (World Bank number TF071265/AusAID number 63260)

Dear Mr. Quiggin:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively, the "Bank") the intention of the Commonwealth of Australia, acting through the Australian Agency for International Development (AusAID) (the "Donor") to make available as a grant the sum of four million eight hundred ninety two thousand Australian Dollars (AUD \$4,892,000) (the "Contribution") for the Multi-Donor Trust Fund for the Extractive Industries Technical Advisory Facility ("EI-TAF") (the "Trust Fund"). Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.
2. The Contribution shall be used to finance the activities and the categories of expenditure set forth in the "Description of Activities and Expenditures under the Multi-Donor Trust Fund for the Extractive Industry Technical Advisory Facility" attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement including the "Standard Provisions Applicable to the Multi Donor Trust Fund for the Extractive Industries Technical Advisory Facility (EI-TAF)" (the "Standard Provisions") attached hereto as Annex 2.
3. The Contribution shall be paid by the Donor as follows:
 - (a) on or before 6 June, 2012, and upon submission of a payment request by the Bank, Three Million Eight Ninety Two Hundred Thousand Australian Dollars (AUD \$3,892,000).

- (b) On or before 6 June, 2013, and upon submission of a payment request by the Bank, One Million Australian Dollars (AUD \$1,000,000).

4. When making the deposits referred to in 3 above, the Donor shall 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 TF071265 (the "Multi Donor Trust Fund for the Extractive Industries Technical Advisory Facility (EI-TAF)"), and the date of the deposit (the "Deposit Instruction"). In addition, the Donor shall 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 shall 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 Agreement shall 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:

Mr. Michael Stanley
Program Manager
Sustainable Energy, Oil Gas and Mining Unit (SEGOM)
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: (202) 458-7811
Fax: (202) 522-0396
E-mail: mstanley@worldbank.org

For the Donor:

Mr. Simon Cann-Evans
Director
Programs and Performance
Mining for Development
Australian Agency for International Development
PO Box 887
Canberra ACT 2601
AUSTRALIA

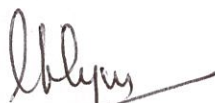
Tel: +61 2 6178 5821
Email: Simon.Cann-Evans@ausaid.gov.au

7. All annexes hereto constitute an integral part of this Agreement. This Agreement 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.

8. Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

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



S. Vijay Iyer
Director

Sustainable Energy Department

AGREED:

COMMONWEALTH OF AUSTRALIA

acting through the Australian Agency for International Development

By: 

Date: 5 June 2012

Name: Bob Quiggin

Title: A/g Assistant Director General

FMA Act s.44 Delegate

**Description of Activities and Expenditures under the Multi-Donor Trust Fund
for the Extractive Industries Technical Advisory Facility (EI-TAF)**

This Annex shall 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

1. The EI-TAF will: (i) address country demand for rapid-response advisory services in the extractive industries sector; and (ii) contribute to global knowledge management/good practice in extractive industries sector governance.

(i) Rapid Response Advisory Services

Rapid-response advisory service activities will focus on eligible countries with capacity needs in areas such as the following:

- (a) Contract negotiation for extractive industry transactions (or where legally feasible, mutually-agreed dispute mediation), including the cost of logistics of such negotiations.
- (b) Short-term capacity building for the members of the beneficiary country's negotiation teams, including studies in preparation for negotiations.
- (c) Technical assistance proximate to a specific extractive industry transaction under review, to update the policy, institutional, fiscal, legal and regulatory frameworks of the EI country concerned, including revenue management and benefits sharing across levels of government and community.
- (d) Technical assistance on structuring extractive industry licensing rounds, public offerings (tender/auction), and competitive and transparent tender packages to help resource-rich countries optimize the value of national extractive industry resources, including the cost of logistics of such negotiations.

In general, countries will receive grants under the EI-TAF for rapid-response advisory services. However, where applicable and beneficial, EI-TAF will also provide support to regional and/or sub-regional entities (e.g., ECOWAS, SADC) to address extractive industry policy issues and impacts of oil, gas, and mining developments at the regional and/or sub-regional level.

(ii) Knowledge Management

Knowledge management activities will facilitate the gathering and dissemination of good practices in extractive industry sector governance. The focus will be on:

- (a) Providing a framework of good practices and discussion of issues that may be relevant for governments facing the task of making extractive industry resources available to private investors.
- (b) Gathering and disseminating lessons of experience based on advisory service activities, through publications, workshops and conferences.
- (c) Preparing studies, reports, policy notes and other documents related to EI-TAF activities.

B. IMPLEMENTATION MODALITIES

1. EI-TAF-financed activities will be executed in one of two ways:
 - (a) ***Recipient-execution.*** Countries may receive funds from the EI-TAF for rapid-response advisory service activities.
 - (b) ***Bank-execution.*** This will be primarily for selected knowledge management activities as outlined above.
 - (c) In exceptional circumstances and consistent with Bank policies and procedures, the Bank may execute rapid-response advisory service activities.

C. COORDINATION AND GOVERNANCE

1. The Bank will establish a team in the Oil, Gas and Mining Policy Division that will be responsible for administering the EI-TAF (the "EI-TAF Team"). In connection with this responsibility, the EI-TAF Team will also be responsible for coordination with Bank country teams, other Bank staff, donors, partners, and other stakeholders.

2. The Donors to EI-TAF (the "Donors") will be invited by the Bank to meet at least annually to: (a) review and approve the EI-TAF work plan, which includes proposed activities and estimated budgets; (b) review EI-TAF progress and financial reports; (c) review the lessons and experiences of the implementation of the EI-TAF activities, including results achieved; and (d) provide strategic guidance to the EI-TAF Team on the implementation of the activities. Any changes in activities included in agreed work plans over US\$250,000 will be sent to the Donors for approval, unless otherwise agreed.

3. All Donors attending the EI-TAF meetings will be represented by a senior representative. The Bank will also be represented by a senior representative who will also be the chair. Other Bank staff may also attend the meeting. Decision making will be made by consensus of the representatives of the Bank and Donors participating in a physical meeting,

or by email correspondence with Donors (within a reasonable period) on a no-objection basis between physical meetings. The EI-TAF Team will manage the no-objection process. The Bank will, within a reasonable time, record the decisions made in the meeting in minutes which will be submitted to the Donors for concurrence.

D. CATEGORIES OF ELIGIBLE EXPENDITURES

1. The Contribution funds may be used to finance the following categories of expenditures for Recipient-executed activities: operating costs, consultant services and training. The Contribution funds may be used to finance the following categories of expenditures for Bank-executed activities: consultant fees; staff costs; media and workshop costs; travel expenses; associated overheads; and contractual services. Staff costs (including staff time and travel) up to twenty percent (20%) of the total amount of the Contributions will be charged to the Trust Fund.

ANNEX 2

Standard Provisions Applicable to the Multi-Donor Trust Fund for the Extractive Industries Technical Advisory Facility (EI-TAF)

This Annex shall 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 shall be responsible only for performing those functions specifically set forth in this 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 Agreement shall be considered a waiver of any privileges or immunities of the IBRD and IDA under their Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. The Contribution 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 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 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 Contribution funds shall be accounted for as a single trust fund and shall 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 Contribution funds may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

2.3 The Bank shall 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 shall 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 Agreement, the Bank may deduct and retain for its own account an amount equal to two percent (2%) of each Contribution. In addition, costs for program management and coordination up to a maximum of US\$ 860,000 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. Grants to Recipients

4.1. The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into grant agreements (the "Grant Agreements") with eligible recipients (the "Recipients") consistent with the purposes of this 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. Upon request by a Donor, the Bank shall furnish a copy of the Grant Agreements to the Donors.

4.2. The Bank shall be solely responsible for the supervision of the activities financed under the Grant Agreements. Subject to the consent of the Recipients, 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 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.

5. Employment of Consultants and Procurement of Goods

5.1 For Recipient-executed activities, the Grant Agreements shall provide that the Contributions shall be used by the Recipients 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 Agreements.

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

6. Accounting and Financial Reporting

6.1. The Bank shall 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 shall furnish to the Donor 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 with respect to the Contributions will be made available to the Donor via the World Bank's Trust Funds Donor Center secure website.

6.3. The Bank shall 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 auditors' 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 established under this Agreement, 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 most 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 paid by the Donor.

6.5. The Bank shall provide the Donor with copies of all financial statements and auditors' reports received by the Bank from the Recipients pursuant to the Grant Agreements.

7. Progress Reporting

7.1. The Bank shall 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 8.1, 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 shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of

its policies and procedures. All associated costs 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.

8. Disbursement Deadline; Cancellation; Refund

8.1 It is expected that the Contributions will be fully disbursed by the Bank by June 30, 2016. The Bank shall only disburse the Contributions for the purposes of this Agreement 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 Agreement prior to the receipt of such notice, including the Grant Agreements.

8.3 Following the final disbursement date specified in paragraph 8.1, the Bank shall return any remaining balance of the Contributions to the Donors on a pro rata basis based on the Donors' paid Contributions. In the event of a cancellation the Bank shall promptly return to the relevant Donor or Donors, the Donor's pro rata share of uncommitted Contributions in accordance with paragraph 8.2.

9. Disclosure

9.1 The Bank may disclose this Agreement and information on this Trust Fund in accordance with the Bank's policy on disclosure of information, in effect at the time of such disclosure. By entering into this Agreement, Donors consent to disclosure of this Agreement and information on this Trust Fund.