

Administration Arrangement between the Government of Australia represented by the Department of Foreign Affairs and Trade and the International Bank for Reconstruction and Development and the International Development Association concerning the Australia - World Bank Group Strategic Partnership in Vietnam - Phase 2 Single-Donor Trust Fund (Trust Fund No TF072793; Donor Reference No. 73321

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the "Bank") acknowledge that the Government of Australia Represented by the Department of Foreign Affairs and Trade (the "Donor", and together with the Bank, the "Participants" and each a "Participant") has decided, subject to legislative appropriations, to provide the sum of twenty-five million Australian Dollars (AUD 25,000,000) (the "Contribution") for the Australia - World Bank Group Strategic Partnership in Vietnam - Phase 2 Single-Donor Trust Fund (Trust Fund No. TF072793) (the "Trust Fund") in accordance with the provisions of this Administration Arrangement.

2. The Contribution will be used to finance the activities set forth in the "Australia - World Bank Group Strategic Partnership in Vietnam - Phase 2 Trust Fund Description" attached hereto as Annex 1, and will be administered by the Bank on behalf of the Donor in accordance with the provisions of this Administration Arrangement, including the "Standard Provisions" attached hereto as Annex 2 and the provisions on "Governance" attached hereto as Annex 3.

3. The Donor will deposit the Contribution in accordance with the following schedule and in the currency specified in paragraph 1 above ("Contribution Currency") into such bank account designated by the Bank (each amount deposited hereinafter referred to as an "Installment") upon submission of a payment request by the Bank:

- (A) Promptly following countersignature – AUD 500,000;
- (B) By July 31, 2017 – AUD 5,000,000;
- (C) By May 31, 2018 – AUD 1,000,000
- (D) By July 31, 2018 – AUD 7,000,000;
- (E) By May 31, 2019 – AUD 2,000,000;
- (F) By July 31, 2019 – AUD 4,700,000;
- (G) By May 31, 2020 – AUD 1,000,000; and
- (H) By July 31, 2020 – AUD 3,800,000

4. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund. If the Bank determines, on the basis of the speed of the implementation of the activities and availability of funds in the Trust Fund, that it is necessary to either bring Installments forward or delay them, the Bank and the Donor will mutually decide to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

5. 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 TF072793 (the Australia - World Bank Group Strategic Partnership in Vietnam - Phase 2 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 tfremittadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

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

For the Bank (the "Bank Contact"):

Nga Thi Quynh Dang
Operations Officer
Portfolio and Operations Unit
The World Bank in Vietnam
7th-8th floor, 63 Ly Thai To Street
Tel: 84-4-39367304
Fax: 84-4-39346597
E-mail: ndang@worldbank.org

For the Donor (the "Donor Contact"):

Nguyen Thanh Tu
Senior Aid Effectiveness Manager
Australian Embassy in Hanoi
N08 Dao Tan street, Hanoi
Tel: 84-4-37740173
Fax: 84-38317706
E-mail: thanhtu.nguyen@dfat.gov.au

7. 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, unless otherwise mutually decided with the Bank. When making any deposit, the Bank will 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 TF072793 (the Australia - World Bank Group Strategic Partnership in Vietnam - Phase 2 Trust Fund Trust Fund), and the date of the deposit. The Bank will provide a copy of such information to the Donor.


8. At the date of Bank's signature of this Administration Arrangement, the Indirect Rate (as defined in Annex 1 to this Administration Arrangement) is 17%.

9. All annexes hereto constitute an integral part of this Administration Arrangement, whose terms taken together will constitute the entire arrangement 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.

10. It is understood that this Administration Arrangement, including any annexes, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the United Nations Charter, nor is it, in the Donor's understanding, any other form of international agreement. It is an administrative arrangement between the Bank and the Donor.

11. Each of the Participants 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 come into effect as of the date of the last signature.

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

By: 
Name: Ousmane Dione
Title: Country Director

Date: 4 / 11 / 2017

**GOVERNMENT OF AUSTRALIA, REPRESENTED BY THE DEPARTMENT OF FOREIGN
AFFAIRS AND TRADE**

By: 
Name: H.E Craig Chittick
Title: Australian Ambassador to Vietnam

Date: 11 April 2017

Australia - World Bank Group Strategic Partnership in Vietnam - Phase 2 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 are to share knowledge and to strengthen development policies and programs for selected development themes for Vietnam, with a particular focus on gender equality.

2. Activities

The activities to be financed by the Trust Fund fall under the following themes: (a) transport, (b) trade and competitiveness, (c) Mekong Delta, (d) ethnic minorities; and (e) gender, as such themes may be revised or additional themes created with the approval of the Steering Committee in accordance with Annex 3 to this Arrangement, and consist of:

2.1. Bank-executed activities, for which the Bank has implementation responsibility:

(i) Advisory services and analytics, technical assistance activities, and experience and knowledge sharing/transfer workshops and training (for Bank staff, Government's officials, and other external participants) under the relevant themes set out above; and

(ii) 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) have implementation responsibility:

Carrying out of selected projects and programs under the relevant themes set out above.

3. Eligible Expenditures

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

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

3.2. For purposes of this paragraph 3: (i) "staff costs (excluding short term consultants and temporaries)" includes salaries, benefits and the Indirect Rate charged to the Trust Fund as applicable under

Bank policies and procedures; and (ii) “short term consultants and temporaries” includes fees and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures.

3.3. The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the *Development Partner Center* website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

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

- (a) Civil Works;
- (b) Consulting services;
- (c) Goods;
- (d) Operating Costs; and
- (e) Training.

4. Taxes

4.1. The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.

5. Indicative Results Framework

5.1. An indicative Results Framework for the activities financed by the Trust Fund prepared by the Bank (the “Results Framework”), in consultation with the Donors, will be available at the *Development Partner Center* website. Such Results Framework, may be revised by the Bank from time to time, in consultation with the Donors, and will be used for monitoring and evaluation purposes only.

6. Indicative Budget

6.1. The Bank will provide indicative budget information for the Trust Fund at the *Development Partner Center* website, which may be updated periodically by the Bank in consultation with the Donors. Such budget information is for informational purposes only.

7. Retroactive Financing

7.1. The Trust Fund funds may be used to retroactively finance payments for eligible expenditures made as of January 20, 2017 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, including its annexes, 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 Arrangement 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's 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 Australian Dollars (the "Holding Currency").

2.3. Donors decide 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 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 will maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2. 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 *Development Partner Center* website which will be updated quarterly. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions will be made available to the Donors via the *Development Partner Center* website.

3.3. The Bank will provide to the Donors via the *Development Partner 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.

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 will first consult as to whether such an external audit is necessary. The Bank and the Donor will decide on the appropriate scope and terms of reference of such audit. Following Arrangement 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.

3.5. 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 Arrangements (as defined below) in accordance with the Bank's Access to Information Policy.

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

4.1. The Bank will provide the Donors with a written progress report by June 30 and a written progress report by December 31 each year. The progress reports will be provided with reference to the results framework decided by the Bank and the Donors, as such Results Framework may be reviewed by the Participants from time to time. Within six (6) months of the End Disbursement Date (as defined below), the Bank will provide to the Donors with a final narrative progress report for the Trust Fund.

4.2. Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of the Trust Fund. The Donor and the Bank will decide 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.

4.3. The Bank will, consistent with its policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the Trust Fund funds, and include provisions in its Arrangements with Recipients to give full effect to the relevant Bank guidelines on fraud and corruption.

4.4. In the event that the Bank determines that there are credible and material allegations of fraud, corruption, collusion or coercion in relation to Recipient-executed and/or Bank-executed activities financed by the Trust Fund that result in the Bank opening an investigation into such allegations (an "Investigation"), the Bank will, in accordance with its applicable policies and procedures:

- (i) take timely and appropriate action with respect to such allegations and, where relevant, seek appropriate redress, including potential sanctions;
- (ii) as soon as practicable, inform the Donors of the outcome of the Investigation, provided that the Donors decide to keep such information confidential pursuant to paragraph 6.3 of Annex 2, unless such information is already publicly available;
- (iii) on a case by case basis, decide whether to share information with Donors on an active Investigation, and provided that the Donors decide to keep such information confidential pursuant to paragraph 6.3 of Annex 2;
- (iv) take all necessary actions to recover funds that are the subject of an Investigation where the Bank has determined it as appropriate; and
- (v) to the extent that any funds are refunded to the Trust Fund following an Investigation, the Bank will use such funds for the same purposes as the Contributions, unless otherwise decided between the Bank and each Donor.

5. Disbursement; Cancellation; Withholding of Payments

5.1. It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2021 (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.

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 Arrangements 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 Donor its pro-rata share in the Holding Currency as specified in paragraph 2.2 of this Annex 2; unless otherwise decided between the Bank and the Donor.

5.3. If in the reasonable opinion of a Donor, the Bank has failed to adhere to a material extent with the terms of this Administration Arrangement, the Donor and the Bank decide to discuss the non-adherence with a view to resolving the matter. If the Bank and the Donor fail to decide on the measures to be taken or the Bank fails to take relevant measures as may be decided between the Donor and the Bank, the Donor may, upon thirty (30) days prior written notice, withhold all or any portion of an Installment that has not yet been disbursed to the Bank, until such time as the measures have been taken.

6. Disclosure; Visibility

6.1. The Bank and the Donors decide that the Administration Arrangements will be made publicly available and that any related information on this Trust Fund in the Bank's and the Donor's possession may be publicly disclosed in accordance with (i) the Bank's policies and procedures with respect to any such information in the Bank's possession; and (ii) the Donors' applicable laws with respect to any such information in the Donors' possession.

6.2. Notwithstanding paragraph 6.1 above, neither the Bank nor any of the Donors will publicly disclose information in their respective possession related to the Trust Fund that has been indicated or marked in writing by either Party as confidential, unless prior written consent has been obtained from the Party providing the information or the Donors are otherwise obliged to do so under applicable laws with respect to information in their possession.

6.3. Notwithstanding paragraphs 6.1 and 6.2 above, the information provided under paragraphs 4.4 (ii) and 4.4 (iii) will be subject to the terms of confidentiality accompanying such information, and the Donors will not disclose such information outside the office to which the information is provided, unless: (i) prior written consent has been obtained from the Bank; or (ii) the Donors are obliged to do so in accordance with applicable laws, in which case the Donors will notify the Bank accordingly prior to such disclosure. If a Donor is not able to commit to keep such information confidential in accordance with its applicable laws, then the Donor will inform the Bank accordingly.

6.4. Where appropriate to do so, the Bank will acknowledge, the Donors' contributions in references made by the Bank with respect to the Trust Fund in publications, press releases or other similar written materials.

7. Dispute Resolution; Limitation on Donor Liability

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

7.2. In providing funds under this Administration Arrangement, the Donors do not accept any responsibility or liability towards any third parties including any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.

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 Agreement") 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 decided 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 Arrangements. 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.

9. Trust Fund Fee

9.1. The Bank will calculate a fee each time funds (the "Grant Amount") from the Trust Fund become committed under a Grant Agreement. Such commitment will occur when such Grant Agreement is fully countersigned (the "Calculation Date"). The fee so calculated by the Bank will 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 will depend on where the Cumulative Grant Total stands as the Grant Amount is added and will be determined in accordance with the following schedule:

- (i) 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
- (ii) 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
- (iii) 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
- (iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US\$ 1 billion or equivalent.

9.2. Following each Calculation Date, the Bank will 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.

Governance

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.

Steering Committee

The Steering Committee and the implementation of the trust fund will be guided by the Operations Manual, Partnering Commitments and Communications Strategy. A Steering Committee co-chaired by the Bank's Country Director and the Australia Ambassador and comprising of representatives from the Bank and the Donor (Australian Counsellor for Economic and Development Cooperation, Australian theme coordinators, Australian gender advisor(s), the International Finance Corporation (IFC) representative, the Bank's Portfolio and Operations Manager, the Bank's Theme Coordinators responsible for each of the Trust Fund themes, the Australia Senior Aid Effectiveness Manager and the Bank's Trust Fund Program Manager) will be responsible for the entire program. It will meet bi-annually to review the Trust Fund implementation progress as a whole, monitor its achievements including gender integration as reported through the Results Framework, approve the work program, and provide guidance on strategic areas supported by Trust Fund. In addition, other virtual or face-to-face meetings between the Donor and the Bank's Theme Coordinators and child fund task team leaders will be held as decided by the Participants.

Secretariat

A Secretariat comprising of representatives from the Bank and the Donor (Australian Counsellor for Economic and Development Cooperation, Bank's Portfolio and Operations Manager, the Australia Senior Aid Effectiveness Manager and the Bank's Trust Fund Program Manager) to support and advise the Steering Committee on matters related to the Trust Fund, including but not limited to facilitating cooperation and engagement with government counterparts, as well as the work of Donor and the Bank's Theme Coordinators.

Theme Coordinators

Coordinators from the Bank and the Donor for each of the Trust Fund themes will coordinate and be accountable for the activities under each theme.