

TF072132

Administration Agreement between the Federal Department of Economic Affairs, Education and Research of Switzerland, acting through its State Secretariat for Economic Affairs, and the International Bank for Reconstruction and Development and the International Development Association concerning the Debt Management Facility Phase II (DMF II) Multi-Donor Trust Fund (TF 072132)

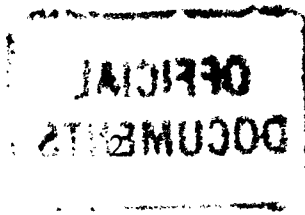
1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the "Bank") acknowledge that the Federal Department of Economic Affairs, Education and Research of Switzerland, acting through its State Secretariat for Economic Affairs (the "Donor", and together with the Bank, the "Parties" and each a "Party") agrees to provide the sum of four million United States Dollars (US\$ 4,000,000) (the "Contribution") for the Debt Management Facility Phase II (DMF II) Multi-Donor Trust Fund, TF 072132 (the "Trust Fund") in accordance with the terms of this Administration Agreement. Other donors are also expected to contribute 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 Activities, Expenditures and Governance for the DMF II Multi-Donor Trust Fund" 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.

3. The Donor shall deposit the Contribution promptly following countersignature in the full amount and currency ("Contribution Currency") specified in Section 1 above and into such bank account designated by the Bank upon submission of a payment request by the Bank (such deposit being an "Installment"). Any deposit into the Trust Fund to be made under this Administration Agreement is subject to there being an annual authorization by the Swiss Parliament.

4. 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 the Debt Management Facility Phase II (DMF II) TF 072132 (the DMF II 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.

5. 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"):

Abha Prasad
Senior Debt Specialist
Economic Policy and Debt Department
The World Bank
1818 H Street NW, Washington, DC 20433
United States of America

Tel: +1 202 458 7629
Fax: +1 202 522 3740
E-mail: aprasad@worldbank.org

For the Donor (the "Donor Contact"):

Schlup Rosmarie
Deputy Head Macroeconomic Support Division
State Secretariat for Economic Affairs
Holzikofenweg 36, 3003 Berne
Switzerland

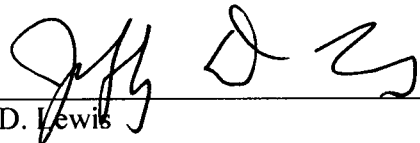
Tel: +41 31 322 32 14
Fax: +41 31 324 09 62
E-mail: rosmarie.schlup@seco.admin.ch

6. 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.

7. All annexes hereto 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. 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.

8. 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.

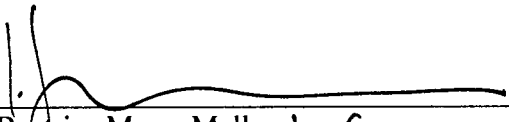
**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: 

Jeffrey D. Lewis
Director
Economic Policy, Debt and Trade Department

Date: 12-9-13

**FEDERAL DEPARTMENT FOR ECONOMIC AFFAIRS, EDUCATION
AND RESEARCH OF SWITZERLAND, ACTING THROUGH ITS
STATE SECRETARIAT FOR ECONOMIC AFFAIRS (SECO)**

By: 

~~Beatrice Maser Mallor~~ Ivo Germann
Ambassador Head of Operations South/East
Head of Economic Cooperation and Development

Date: 17.12.2013

ANNEX 1

Description of Activities, Expenditures and Governance for the DMF II Multi-Donor Trust Fund

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 and Governance Arrangements

The primary development objective of the Trust Fund is to help strengthen debt management capacity and institutions in DMF II eligible countries, defined as all IDA-eligible countries, including those that were IDA-eligible countries in 2008 when the DMF I (defined below) was launched even if they may have graduated, and any additional IDA-eligible countries added over time, which at all times includes all of the countries in the IMF’s Poverty Reduction and Growth Trust (PRGT) (“Eligible Countries”).

The Trust Fund supports DMF II, whose objectives, basic principles, activities and governance arrangements are described in the charter adopted on November 22, 2013 as such charter may be amended from time to time in accordance with its terms (the “DMF II Charter”). The Trust Fund is governed by the terms of this Administration Agreement and the DMF II Charter.

The current charter for DMF II is provided as Attachment 1 to this Annex 1 for informational purposes only. Any amendments to the DMF II Charter, made in accordance with its terms, will become applicable to this Administration Agreement as such amendments take effect without further need to amend this Administration Agreement; provided that such amendments do not conflict with applicable Bank policies and procedures and provided further that in the event of any conflict with other parts of the Administration Agreement, the terms of this Administration Agreement shall prevail. Capitalized terms used herein, but not otherwise defined in this Administration Agreement, shall have the meanings ascribed to them in the DMF II Charter.

2. Activities

The Trust Fund will finance the categories of activities set forth in Section IV.I of the DMF II Charter, as amended from time to time by decision of the DMF II Steering Committee in accordance with its terms. The specific activities will be set forth in the annual work program endorsed by the Steering Committee.

These categories of activities are either (i) managed by the Bank (“Bank-Managed Activities”) or (ii) managed by the IMF (“IMF-Managed Activities”), as specified in the DMF II Charter. Bank-Managed Activities are conducted under Bank responsibility, fiduciary and otherwise, in accordance with the Bank’s policies and procedures. IMF-Managed Activities are conducted under IMF responsibility, fiduciary and otherwise, in accordance with the IMF’s policies and procedures. DMF-II activities that are undertaken collaboratively between the Bank and the IMF are conducted, from operational, legal and fiduciary perspectives, as a combination of separate Bank-Managed Activities and IMF-Managed Activities. Any “joint” activities are undertaken with separate and distinct responsibility on the part of

the Bank and the IMF as to their respective portions regardless of who is leading such activity. In collaborating and coordinating with the IMF, including compiling documents for transmission to the SC or donors, the Secretariat does not become responsible for IMF activities or obligations.

The Bank-Managed Activities may be Bank-executed and/or Recipient-executed, as specified below.

Bank-Managed activities which are Bank-executed (for which the Bank has implementation responsibility), may include those listed in paragraphs (a) through (l) of Section 4.1.1. of the DMF II Charter as amended from time to time by decision of the DMF II Steering Committee in accordance with its terms.

Bank-Managed Activities which are Recipient-executed (for which one or more Recipients (as defined in Annex 2) have implementation responsibility) may include those listed in paragraphs (a), (b), (c), (d), (e), (f), (i), (k) and (l) of Section 4.1.1. of the DMF II Charter, as amended from time to time by decision of the DMF II Steering Committee in accordance with its terms. During Trust Fund implementation, the categories of activities listed in paragraphs (g) and (h) of Section 4.1.1. of the DMF II Charter may also be Recipient-executed, if requested by the Steering Committee and accepted by the Bank, subject to the Recipients' capacity to execute such activities.

IMF-Managed Activities may include those specified in the DMF II Charter, as amended from time to time by decision of the DMF II Steering Committee in accordance with its terms.

3. Eligible Expenditures

3.1 For Bank-Managed Activities which are Bank-executed, the Trust Fund funds may be used to finance: (a) associated overheads; (b) consultant fees individuals and firms; (c) contractual services; (d) equipment and office premises lease cost; (e) extended term consultants with no indirects; (f) extended term consultants; (g) media, workshop, conference and meeting; (h) staff costs with indirect costs; (i) staff costs with no indirect costs; (j) temporary support staff costs; (k) temporary staff costs with no indirects; and (l) travel expenses.

3.2 For Bank-Managed Activities which are Recipient-executed, the Trust Fund funds may be used to finance: (a) consulting services; (b) operating costs; and (c) training.

3.3 For IMF-Managed Activities, categories of expenditures applicable to the Trust Fund funds transferred to the IMF shall follow IMF's applicable policies and procedures. Following disbursement by the Bank of funds from the Trust Fund to the IMF, the Bank shall have no further responsibility for the IMF's use of the funds and activities carried out therewith.

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. Program Criteria

Activities are to be financed in accordance with the Guiding Principles set forth in the DMF II Charter as amended from time to time by decision of the DMF II Steering Committee in accordance with its terms.

Attachment 1 to Annex 1
Attached for informational purposes only

Debt Management Facility II

Charter

As Adopted November 22, 2013

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I. Introduction

1.1 The International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”), the International Monetary Fund (“IMF”) and certain donors to one or more trust funds for the Debt Management Facility (“DMF”) have adopted the present charter (the “Charter”).

1.2 The DMF provides capacity building to support growth and poverty reduction in eligible developing countries by strengthening their capacity to manage debt effectively. The first phase of the DMF (the “DMF I”) was launched in November 2008 with a multi-donor trust fund administered by the Bank (the “DMF I Trust Fund”) to address the need to strengthen public debt management in low income countries (“LICs”).¹ The second phase of the DMF (the “DMF II”) is supported by one or more new trust funds administered by the Bank (the “DMF II Trust Fund”) and builds on the strong partnership that has existed between the Bank and the IMF on the delivery of capacity building (technical assistance (“TA”) and training) on debt management and debt sustainability initiatives aimed at debt relief (HIPC, MDRI) and debt management issues (particularly, the application of the medium term debt management strategy framework (the “MTDS”)²). The DMF II aims to foster closer collaboration between the Bank and the IMF, both to leverage institutional expertise, and as the designated implementing agencies that provide TA and training for DMF II activities. This arrangement also seeks to promote collaboration among a wide range of institutions, including the DMF II implementing partners (“IPs”), other bilateral agencies and multilateral development banks.

1.3. This Charter sets out the governance arrangements of the DMF II that encapsulate this collaborative arrangement, as endorsed by the donors to the DMF I Trust Fund who had expressed their intention to participate in the DMF II by November 22, 2013.

II. Basic Principles

2.1 The DMF II is conceived as a capacity building facility to help strengthen debt management capacity in Eligible Countries (as defined below). It recognizes that debt management does not take place in isolation. To be effective, the activities of the DMF II work program must be linked to, and influenced by, the broader financial and economic circumstances that impact a country’s debt portfolio.

2.2 “Eligible Countries” are all IDA-eligible countries, including those that were IDA-eligible countries in 2008 when the DMF I was launched even if they may have graduated and any additional IDA-eligible countries added over time, which at all times includes all of the countries in the IMF’s Poverty Reduction and Growth Trust (PRGT). Any requests for coordinated activities from government authorities in Eligible Countries will be centralized by and through the Secretariat, including for record-keeping purposes.

¹ The DMF I successfully completed four years of activity since it became operational in May 2009. The DMF I Trust Fund is scheduled to close on June 30, 2014.

² For details, see <http://go.worldbank.org/3EXKD11VJB0>

2.3 DMF-II activities are either (i) activities managed by the Bank (“Bank-Managed Activities”) or (ii) activities managed by the IMF (“IMF-Managed Activities”). Bank-Managed Activities are conducted under Bank responsibility, fiduciary and otherwise, in accordance with the Bank’s policies and procedures. IMF-Managed Activities are conducted under IMF responsibility, fiduciary and otherwise, in accordance with the IMF’s policies and procedures. DMF-II activities that are undertaken collaboratively between the Bank and the IMF are conducted, from operational, legal and fiduciary perspectives, as a combination of separate Bank-Managed Activities and IMF-Managed Activities. Any “joint” activities are undertaken with separate and distinct responsibility on the part of the Bank and the IMF as to their respective portions regardless of who is leading such activity. In collaborating and coordinating with the IMF, including compiling documents for transmission to the SC or donors, the Secretariat does not become responsible for IMF activities or obligations.

2.4 For DMF II, the Bank collaborates through the Economic Policy, Debt and Trade Department (PRMET), and, regarding administrative and procedural issues, the IMF collaborates through the Institute for Capacity Development (ICD).^{3 4} The ICD serves as the IMF’s focal point of contact for communicating and coordinating with the Bank, particularly the Secretariat. The Bank and the IMF normally meet quarterly to assess the progress made, discuss outstanding issues and analyze country-program specifics.

2.5 With respect to every contribution provided by donors to the DMF II Trust Fund, the Trustee transfers 37% of the amount (net of the Bank’s cost recovery fee⁵) to the IMF for implementation of IMF-Managed Activities under the terms of a transfer agreement entered into between the Bank and the IMF, provided that this percentage may be adjusted from time to time as agreed between the Bank and the IMF. The Global Partnerships Division of ICD will manage the IMF portion of DMF II funds that are transferred-out from the contributions received by the Bank.

2.6 The guiding principles (“Guiding Principles”) for the activities and operational modalities of the DMF II are as follows:

- The DMF II adopts a programmatic approach for strengthening debt management capacity in Eligible Countries. This recognizes that capacity development is a longer term endeavor that requires a sustained engagement over time.

³ Internal department designations may change over time, as notified by the Bank or the IMF, as the case may be, to the members of the Steering Committee.

⁴ The ICD serves as the IMF’s focal point of contact for communicating and coordinating with the Bank, particularly the Secretariat. This point of contact is for all of the IMF’s DMF II activities and represents all relevant IMF departments, including the Fiscal Affairs Department (FAD), Monetary and Capital Markets Department (MCM), Statistics (STA) and the Strategy, Policy and Review Department (SPR). It is understood that these IMF departments may also communicate directly with the Bank on the implementation of projects and other related issues.

⁵ The Bank’s cost recovery fee is reflected in the Administration Agreement signed between the Bank and each donor. These Administration Agreements are made publicly available once they are counter-signed by the respective donor.

- The entire work program is demand-driven, i.e., Eligible Countries drive the application of Debt Management Performance Assessments (“DeMPAs”), the design of debt management reform programs, assistance to develop domestic debt markets, issuance in international capital markets, establishing a risk management framework, undertaking debt sustainability analyses (“DSAs”), and applying the MTDS toolkit.
- There is no established sequence for the activities, although it normally makes sense to begin with a diagnostic followed by a more targeted intervention. These core activities are supplemented by training activities, including on DSAs, and peer learning initiatives.
- To avoid conflicts of interest in procurement, any involvement by an entity in a debt management reform plan (as further described under “Activities” below) precludes involvement by that entity in Bank-financed operations to implement such reform plan; provided that within the Bank, this is understood to mean that individual staff working on a reform plan may not be the same as staff working on implementation of such reform plan.
- Any "downstream" activity resulting from DMF II activities, specifically implementation of reform plans, will not be financed under the DMF II.⁶
- Donor funding to the DMF II is used in part to fund grant agreements to IPs through allocations to the Bank for Bank-Managed Activities.
- The DMF II coordination activities are expected to catalyze IP services for building debt management capacity and promote the transfer of responsibility to IPs, while ensuring that quality is not compromised.
- Improved coordination is sought among institutions that provide debt management TA and training, share and disseminate sound practice in public debt management, and promote international dialogue on debt management issues, including the Bank, the IMF and the IPs, in order to benefit Eligible Countries.

III. Governance Structure

III.1. Steering Committee (SC)

3.1.1 The DMF II has a Steering Committee (SC). The SC comprises one representative of each of the donors to the DMF II Trust Fund that meets the funding eligibility requirements and one representative from each of the Bank and the IMF. Under the eligibility requirements for the DMF II, donors are required to make a minimum commitment to contribute to the DMF II Trust Fund of USD 1.0 million over a two-year period to have a representative at the SC.⁷

3.1.2 The SC is co-chaired by the Bank and the IMF, also acting in decision making capacities. Relevant staff from the Bank and the IMF may be invited by the co-chairs, each respectively as to its institution, to attend SC meetings as observers. The regular SC meetings take place on an annual basis

⁶ “Downstream” activities are not envisaged for implementation under DMF II and may, for example, be included in implementation of reform actions outlined in the “debt management reform/capacity building plan” mission report

⁷ Under the eligibility requirements for the DMF II Trust Fund, any donor must make a minimum contribution commitment of USD 1.0 million.

in connection with the Annual Stakeholders Forum of the DMF II.⁸ The SC may also hold ad-hoc meetings on the request of a representative. The organization of SC meetings is facilitated by the Secretariat, in consultation with the IMF.

3.1.3 Decisions by the SC are made by consensus. For the purpose of this Charter, consensus is a procedure for adopting a decision in a meeting when no participant blocks a proposed decision. It need not reflect unanimity. A dissenting decision maker that does not wish to block a decision may state an objection to be recorded in the meeting minutes. The Chair articulates the consensus view.

3.1.4 Decisions by the SC may also be made on an electronic no-objection basis. In such cases, the Secretariat circulates to all representatives designated to the SC the proposed decision and specifies the period during which any representative may object. An objection by any representative to a proposed decision precludes a decision. If no objection is received prior to expiration of the specified review period, the decision is recorded and notified to the representatives by the Secretariat.

3.1.5 The SC is responsible for the following:

- Providing overall strategic guidance for implementation of the DMF II.
- Reviewing the DMF II annual report.
- Endorsing the annual DMF II work program and financial plan.
- Reviewing adherence to the Guiding Principles and monitoring implementation of the endorsed annual work program.
- Reviewing M&E reports on the Bank's and IMF's respective log frames

III.2. Secretariat

3.2.1 The DMF Secretariat is located in the Bank's headquarters in Washington, DC and operates under the Bank's policies and procedures. The Secretariat is comprised of professional and administrative staff employed by the Bank and headed by a Program Manager. The Bank is responsible for the administrative and managerial oversight of all Secretariat staff (including consultants and any secondees).

3.2.2 The Secretariat responsibilities include:

- Managing DMF II's day-to-day operations with respect to the Bank's DMF II activities.
- Providing administrative support to the SC, including coordinating meetings, handling no objection processes, and maintaining records of SC business, such as meeting minutes, decisions and Charter amendments.
- Submitting the annual DMF II work program and financial plan to the SC for endorsement.
- Submitting the DMF II annual report to the SC for review.
- Submitting M&E reports on the Bank's and IMF's respective log frames to the SC for review.

⁸ The Annual Stakeholders Forum is an annual stakeholders' event that provides a forum to discuss policy-relevant issues on debt management and, current challenges faced by developing countries with respect to debt management and to foster knowledge exchange among participants.

- Coordinating with donors, the IMF, and the IPs.
- Organizing and coordinating meetings and workshops for participation of donors and stakeholders from time to time, to discuss broad issues, development agenda and strategies related to debt management and debt market development in Eligible Countries.
- Identifying opportunities for DMF II assistance by working with key stakeholders.
- Leading the organization of the Annual Stakeholders Forum.
- Collaborating closely with the IMF, primarily through the IMF designated point of contact.
- Organizing regular meetings with the IMF for coordination purposes, including preparing and keeping minutes of such meetings.
- Coordinating the Panel of Experts logistics and meetings.
- Organizing regular meetings of the Implementation Coordination Group (the “ICG”).
- Maintaining the DMF II website.

3.2.3 For the DMF II annual report, the annual work plans and financial budgets, the log frame reports and similar documents, the IMF prepares its own portion with respect to IMF-Managed Activities for delivery by ICD to the Secretariat in accordance with specified time frames. The Secretariat compiles such documents with Bank-prepared portions on Bank-Managed Activities for transmission to the SC or donors as appropriate and, if deemed appropriate by the Bank, to the PoE and ICG.

IV. Work Program

IV.1. Activities

4.1.1 The categories of activities carried out under the DMF II, with specific activities constituting the annual work program endorsed by the SC, are as follows:

- a) **Application of the Debt Management Performance Assessment (DeMPA) tool.** This provides benchmark country debt management performance using the Bank’s DeMPA tool.
- b) **Design of Debt Management Reform Plans.** This provides detailed and sequenced country-owned capacity building project plans that aim to alleviate the weaknesses identified and analyzed by the DeMPA or through other assessments. These plans detail expected outputs and outcomes, actions, sequencing and milestones and provide an estimate of budget and resources required to implement the respective plans.
- c) **Assistance in Medium-Term Debt Management Strategy (MTDS) development.** This provides TA on the joint Bank-IMF MTDS framework for formulating and implementing a debt management strategy for the medium term.
- d) **Strengthening capacity in the application of the Joint Bank-IMF Debt Sustainability Framework (DSF).** This provides regional training and knowledge activities related to the DSF in Eligible Countries.

- e) **Domestic Debt Market Development.** This builds on the “Local Currency Bond Market–A Diagnostic Framework”⁹ to identify strengths and weaknesses of debt markets and to guide the reform plan process taken at the government’s request to design debt market reforms.
- f) **Subnational Debt Management.** This applies the subnational DeMPA tool to provide training on the subnational DSAs and TA on subnational debt management.
- g) **Risk Management.** This aims at building capacity to better address macro-financial risks involved in managing public debt portfolios and establishing a well-defined framework to manage and mitigate those risks.
- h) **International Capital Markets Access.** This assists Eligible Countries to fully assess the likely impact of issuance in the international capital markets on the debt portfolio and understand the relative costs and risks and provides advice to country authorities on the operational systems that need to be put in place to transact effectively and manage risks through the life of the transaction.
- i) **The Debt Managers’ Network program (DMN).** This is a community of government debt management practitioners’ aimed at sharing experience, exchanging information and helping to foster peer learning through virtual meetings and is supported through a designated web page that offers an online platform for information sharing and discussions.
- j) **Supporting knowledge activities such as the Debt Managers Practitioners’ Program (DMPP).** This enables government officials from debt management offices in Eligible Countries to be seconded to the Bank for three-month assignments and participate directly in the DMF II work program.
- k) **Knowledge Products.** This includes, for example, cover guidance notes on accessing international capital markets and use of derivatives.
- l) **Organization of regional training events; the Annual Stakeholders’ Forum, the DMF II website, and the quarterly DMF II Newsletter; the mid-term review, and related program management and administration.**

4.1.2 With respect to the above activities: (1) (b), (c), (d), (e), (f), (g) and (k) are carried out either jointly or separately by either the Bank or the IMF; (2) (a), (i), (j) and (l) are carried out by the Bank; and (3) (h) is carried out by the IMF but could in the future also be provided by the Bank.

IV.2. Monitoring and Evaluation (M&E)

4.2.1 The Bank prepares a log-frame for M&E of Bank-Managed Activities and the IMF prepares a log frame for M&E of IMF-Managed Activities. Each of the Bank and the IMF monitor their

⁹ Developed jointly by EBRD, IMF, OECD, and World Bank (2013). See also World Bank “Government Securities Market Development Toolkit”.

respective activities and respective log frames to produce reports in advance of the SC meeting for the Secretariat to compile for submission to the SC.

V. Trustee

5.1 The Bank serves as trustee of the DMF II Trust Fund. Donor contributions are made to the DMF II Trust Fund under administration agreements/arrangements entered into by the Bank and each of the donors. The Bank enters into a transfer agreement with the IMF to set forth the terms and conditions of any funds transferred to the IMF from the DMF II Trust Fund. Following the transfer of such funds by the Bank to the IMF, the IMF is responsible for the use of such funds, and the Bank has no further responsibility with respect to such.

5.2 The Bank assumes fiduciary responsibility only for funds that it holds (i.e., not funds that have been transferred to IMF). The IMF assumes full fiduciary responsibility for funds that it receives.

VI. Implementation Coordination Group (ICG)

6.1 The ICG meets at least twice a year, in person or virtually. One of the ICG meetings takes place in connection with the DMF II Annual Stakeholders Forum or the Bank-IMF's Annual Meetings.

6.2 Each IP has one member representative on the ICG. The IPs at the start of the DMF II could be drawn from the existing IPs of the DMF I, provided that they demonstrated appropriate capacity in implementing DMF I activities. The DMF II offers an open platform for IPs, with potential for the Bank to select additional IPs in the future. The Secretariat participates as an observer in the ICG meetings, along with the IMF.

6.3 The ICG has responsibility for coordinating implementation of DMF II activities among the IPs, including:

- Receiving information from the Secretariat on all DMF II Bank-Managed Activities and IMF-Managed Activities.
- Discussing and coordinating Bank-Managed Activities involving IP participation.
- Providing inputs to the DMF II Secretariat regarding demand for DMF II activities in Eligible Countries.
- Information sharing by IPs regarding their DMF II-related work programs to avoid overlaps.
- Sharing information with the Secretariat on regular basis (six-month) regarding "downstream" implementing activities arising from DMF II activities.
- Information sharing regarding efforts taken in Eligible Countries that have not adopted the DMF II's programmatic interventions.
- Highlighting specific issues that may impact DMF II activities.

6.4 The ICG is chaired by an elected member from the IPs, elected for a 2-year period. The administrative support for the ICG will be provided by the Chair's organization. Any decisions by the ICG are made on the basis of consensus. The decisions by the ICG are submitted in writing to the SC and presented at SC meetings by the chair of the ICG.

VII. Panel of Experts (PoE)

7.1 The PoE supports the SC in ensuring the quality and relevance of DMF II activities.

7.2 The PoE meets at least twice a year, in person or virtually. One of the PoE meetings takes place in connection with the DMF II Annual Stakeholders Forum or the Bank-IMF's Annual Meetings.

7.3 The PoE comprises experts selected on the basis of their expertise in government debt management. The Bank and the IMF jointly decide the selection criteria and the individuals selected. The DMF II offers an open platform for experts, with potential for the Bank and the IMF to select additional experts in the future.

7.4 The PoE has responsibility for:

- Reviewing and commenting on the draft annual DMF II work programs prepared by the Secretariat for the SC.
- Advising the Secretariat and the SC on any additional areas of debt management that could be supported through the DMF II.
- At the request of the SC, providing advice on specific, technical issues.
- Reviewing and commenting on specific reports prepared in connection with DMF II activities.
- Provide any other recommendations that ensure quality and relevance of DMF II activities.

7.5 The PoE meetings are organized and moderated by the Secretariat, and any decisions by the PoE are made on the basis of consensus. The Bank and the IMF participate as observers in the PoE meetings. The PoE's decisions and recommendations are submitted in writing to the SC and presented at SC meetings by a representative chosen on a consensus basis by the PoE.

7.6 To avoid conflicts of interest, PoE members must abstain from (a) reviewing any materials in connection with a DMF II activity that includes their involvement; and (b) evaluating any DMF II activity that includes their involvement.

VIII. Amendments

6.1 Amendments to this Charter can be proposed by any member of the SC through the Secretariat or by the Secretariat at any time. Any amendments to the Charter require approval of the SC to become effective in accordance with the decision making procedures set forth in this Charter.

IX. Review

Following three years of implementation, a mid-term review will be conducted with external participation, as coordinated by the Secretariat. Based on the findings, a specific strategy for the future of the DMF will be agreed by the SC to coincide with closure of the DMF II Trust Fund.

Standard Provisions

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

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 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. Trust Fund Fees and Costs

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Installment, an amount equal to one point six percent (1.6 %) 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 1 of the Administration Agreements in accordance with the Bank's applicable policies and procedures shall be charged to the Trust Fund on an actual basis up to a maximum of two point fifteen percent (2.15%) of the total Contributions under all Administration Agreements.

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 Agreement, 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 Agreements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under new Administration Agreements.

4. Accounting and Financial Reporting

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

4.2 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.

4.3 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.

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 shall first consult as to whether such an external audit is necessary. 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.

4.5 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.

5. Progress Reporting

5.1 The Bank shall provide the Donors with 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.

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 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.

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 December 31, 2019 (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.

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 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.

7. **Disclosure; Dispute Resolution**

7.1 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.

7.2 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.

8. **Grants to Recipients**

8.1 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") 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.

8.2 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.

8.3 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.

9. **Transfers to the International Monetary Fund (IMF)**

9.1 The Bank shall enter into a transfer agreement (the "Transfer Agreement") with the IMF to set forth the terms and conditions of any Trust Fund funds transferred to them. Following the transfer of funds by the Bank from the Trust Fund to the IMF (the "Transferred Funds"), IMF shall be responsible for the use of such funds, and the Bank shall have no further responsibility with respect of such funds.

9.2 The Donors acknowledge and agree that the Bank has no responsibility, under the Administration Agreement or otherwise for: (i) the use of the Transferred Funds; (ii) the implementing, monitoring, supervising, evaluating, or providing quality assurance for activities financed by the Transferred Funds; (iii) providing Donors with financial, progress, results or impact reporting for activities financed by the Transferred Funds; and (iv) any misuse or misprocurement with respect to the Transferred Funds; or (v) pursuing any Donor interests or IMF undertakings with respect to the Transferred Funds.

9.3 The Donors further acknowledge and agree that any financial reports with respect to the Trust Fund funds transferred to the IMF and the reports with respect to the progress of the implementation of IMF-Managed Activities are the responsibility of the IMF.