

Administration Agreement between the Republic of Korea, acting through the Korea Development Institute and the International Bank for Reconstruction and Development and the International Development Association concerning the KDI School Partnership for Knowledge-Creation and Knowledge-Sharing Single-Donor Trust Fund (Trust Fund No. 073296)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Korea Development Institute School (KDI) (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of: (a) eight hundred million Korean Wons (KRW 800,000,000) (the “Portion A”) and (b) one billion six hundred million Korean Wons (KRW 1,600,000,000) (the “Portion B”) (the “Contribution”) for the KDI School Partnership for Knowledge-Creation and Knowledge-Sharing Single-Donor Trust Fund (Trust Fund No. 073296) (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

2. The Contribution shall be used to finance the activities set forth in the “the KDI School Partnership for Knowledge-Creation and Knowledge-Sharing Single-Donor Trust Fund Description” 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 and the provisions on “Governance” attached hereto as Annex 3.

3. The Donor hereby authorizes the Bank to transfer the United States Dollars equivalent of Portion A, promptly following countersignature of this Administration Agreement, the Portion A of the Contribution to this Trust Fund (Trust Fund No. 073296) from its Donor Balance Account Number TF072440.

4. The Donor shall deposit the Portion B of 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) By December 31, 2019 – eight hundred million Korean Wons (KRW 800,000,000)
- (B) By December 31, 2020 – eight hundred million Korean Wons (KRW 800,000,000)

Upon receipt of each payment request from the Bank, the Donor shall promptly convert each Installment requested by such payment request into United States Dollars at an exchange rate obtained by the Donor (the “USD Amount”) and immediately thereafter deposit the USD Amount into the bank account designated in such payment request.

5. 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 discuss and agree to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

6. 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 Trust Fund No. 073296 (the KDI School Partnership for Knowledge-Creation and Knowledge-Sharing Single-Donor 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 tfremiadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

7. 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"):

Ceren Ozer
Senior Governance Specialist
GGOGT
The World Bank
1818 H street NW, Washington DC 20433 USA
Tel: 1 202 458 2682
E-mail: cozer@worldbank.org

For the Donor (the "Donor Contact"):

Minyoung Seo
Head of Development Research Division
Office of Development Research and International Cooperation
KDI School of Public Policy and Management
Tel: 82-44-550-1264
E-mail: myseo@kdischool.ac.kr

8. 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. When making any deposit, the Bank shall 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 Trust Fund No. 073296 (the KDI School Partnership for Knowledge-Creation and Knowledge-Sharing Single-Donor Trust Fund), and the date of the deposit. The Bank shall provide a copy of such information to the Donor.

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

10. 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.

11. 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:  Date: 09-Apr-2019

Name: Deborah L. Wetzel

Title: Senior Director, Governance Global Practice

REPUBLIC OF KOREA, ACTING THROUGH THE KOREA DEVELOPMENT INSTITUTE

By:  Date: 09-Apr-2019

Name: Jeongpyo Choi

Title: president

KDI School Partnership for Knowledge-Creation and Knowledge-Sharing Single-Donor Trust Fund Description

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

1. Objectives

The objective of the Trust Fund is to promote knowledge-generation and knowledge-sharing in select areas of public finance and comparative economic development in order to assist client countries in addressing development challenges towards achieving inclusive growth and shared prosperity.

2. Activities

The activities to be financed by the Trust Fund are:

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

- (a) **Infrastructure Governance, Public Investment Management (PIM) and Governance for Maximizing Finance for Development (MFD).** a. Carrying out diagnostics in line with the MFD framework as applied in the governance sector in selected pilot countries and identifying lessons learned. b. Organizing learning events and knowledge sharing on international good practices in PIM. c. Preparing discussion notes and reports based on international good practices for managing state-owned enterprises in the delivery of public infrastructure and developing a framework for assessing delivery of infrastructure services.
- (b) **Fiscal Management of Tax Expenditures.** a. Improving the framework for fiscal management of tax expenditures by integrating good practice experiences in selected OECD countries, including through consultation with relevant stakeholders. b. Carrying out diagnostics in line with the framework for fiscal management of tax expenditures in selected pilot countries and identifying lessons learned, including identification of capacity gaps and potential areas of improvement.
- (c) **Integrated Financial Management Systems (IFMIS) and Digital Governance.**
 - a. Organizing one or more workshops on trends, development, and implementation of IFMIS.
 - b. Providing technical assistance and capacity building to selected client countries on the modernization and integration of IFMIS platforms and on the use of integrated public financial management systems, including through the preparation of reports on solutions developed in specific contexts.
- (d) **Foundations and Frontiers in Public Finance: Medium Term Expenditure Frameworks & New Frontiers in Anti-corruption.** a. Carrying out quantitative and qualitative analytical research in order to update current knowledge on the Medium-Term Expenditure Frameworks (METF). b. Generating and sharing knowledge on selected foundational or frontier topics in public finance, such as anti-corruption.

- (e) **Research and dissemination on topics addressing current development challenges.** Organizing learning events and disseminating knowledge on current comparative economic development issues.
- (f) 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.

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
- (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.

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, shall 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 shall be used for monitoring and evaluation purposes only.

6. Indicative Budget

6.1. The Bank shall 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.

Standard Provisions

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

1. Administration of the Contributions

1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement, including its annexes, 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 transfer all income from such investment to the Donor's applicable donor balance account with the Bank.

3. Accounting and Financial Reporting

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

3.2. 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 '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 shall be made available to the Donors via the 'Development Partner Center' website.

3.3. The Bank shall provide to the Donors via the 'Development Partner Center' website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management report together with an audit opinion 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.

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

4.1. The Bank shall provide the Donors with annual written progress reports by November 30. The progress reports shall be provided with reference to the Results Framework agreed by the Bank and the Donors, as such Results Framework may be reviewed by the Parties from time to time. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall 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 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.

4.3. The Bank shall, 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 agreements 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 shall, 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 agree 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 agree 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 shall use such funds for the same purposes as the Contributions, unless otherwise agreed 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 April 30, 2022 (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.

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 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 paragraph 2.2 of this Annex 2; unless otherwise agreed between the Bank and the Donor.

5.3. If in the reasonable opinion of a Donor, the Bank has failed to comply to a material extent with its obligations under this Administration Agreement, the Donor and the Bank agree to discuss the non-compliance with a view to resolving the matter. If the Bank and the Donor fail to agree on the measures to be taken or the Bank fails to take relevant measures as may be agreed 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 agree that the Administration Agreements 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 shall 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) shall be subject to the terms of confidentiality accompanying such information, and the Donors shall 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 shall 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 shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7.2. In providing funds under this Administration Agreement, 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.

Governance

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

The Donor agrees that the Bank has responsibility for the Trust Fund operations under the terms of the Administration Agreement, including with respect to the allocation of funds and implementation of Bank-executed activities. For clarity, decisions on work programs, budgets and allocation of funds will be made by the Bank.

The Partnership Council will be established to discuss:

- a) progress reports provided by the Bank based on the results framework described in Section 4.1 of Annex 2;
- b) work programs and budgets presented by the Bank; and
- c) broad strategic guidance reflective of (a) and (b).

The Partnership Council will consist of representatives of the Bank, including as Chair, and a representative of the Donor. It is envisaged that the Partnership Council will meet annually, as convened by the Bank.