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M2005-0029
IDA/M2005-0029

June 21, 2005

<p>For meeting of Board: Tuesday, July 5, 2005</p>

FROM: Vice President and Corporate Secretary

**Minutes of Meeting of the Executive Directors of the Bank and IDA,
held in the Board Room on Thursday, May 12, 2005, at 3:47 p.m.**

1. There were present:

CHAIRMAN:

Shengman Zhang, Managing Director

EXECUTIVE DIRECTORS AND ALTERNATES ACTING AS EXECUTIVE DIRECTORS:

K. Alohalo (Temporary Alternate)	A. Mwenda (Temporary Alternate)
J. Austin	M. Nemli (Temporary Alternate)
F. Ba (Temporary Alternate)	K. Ntep (Temporary Alternate)
J. Droop (Temporary Alternate)	Y. Okubo
J. Familiar (Alternate)	J. Paul (Alternate)
S. Free (Temporary Alternate)	I. Rivera (Temporary Alternate)
T. Ingolfsson	M. Robert (Temporary Alternate)
S. Katash (Temporary Alternate)	F. Rossi (Temporary Alternate)
H. Krebs (Temporary Alternate)	O. Shamkanov (Temporary Alternate)
R. Kyuchukova (Temporary Alternate)	C.M. Vasudev
M. Mozayani (Temporary Alternate)	P. Vudhitornetiraks (Temporary Alternate)
N. Mufarrij (Temporary Alternate)	J. Yang

ALTERNATES NOT ACTING AS EXECUTIVE DIRECTORS:

A. Khan	T. Oya
T. O'Brien	

OFFICERS AND STAFF PARTICIPATING:

D. Mattheisen, Acting Corporate Secretary	S. Tenev, CEADR
E. Adu, Deputy General Counsel, LEGVP	C. Thomas, EASHD
J. Kassum, Vice President, EAPVP	W. Abdelati, IMF
I. Porter, Director, EACTF	A. Walsh, Corporate Secretariat
N. Agrawal, EACSF	

BANK/IDA BUSINESS

OED Work Program and Budget (FY06) and Indicative Plan (FY07-08)

2. The memorandum and report from the Acting Director-General, Operations Evaluation, entitled “OED Work Program and Budget (FY06) and Indicative Plan (FY07-08)” (R2005-0072; /1, dated March 28 and April 27, 2005), were postponed and rescheduled for discussion on May 17, 2005 (A2005-0029/1).

BANK/IDA/IFC BUSINESS

Cambodia – Country Assistance Strategy

3. The Executive Directors discussed the joint IDA/IFC Country Assistance Strategy for the Kingdom of Cambodia (IDA/R2005-0070[IFC/R2005-0088, dated April 21, 2005). The Chairman’s Concluding Remarks were distributed as (IDA/R2005-0070/2[IFC/R2005-0088/2], dated May 16, 2005).

Credit and IDA Grant to Cambodia – Education Sector Support Project

4. The Executive Directors considered the President’s Memorandum and Recommendation (IDA/R2005-0071, dated April 21, 2005) and approved the credit and IDA grant to the Kingdom of Cambodia for an Education Sector Support Project in the amounts of SDR 5.3 million (US\$8 million equivalent) and SDR 13.1 million (US\$20 million equivalent), respectively, on the payment terms and other terms and conditions set out in the President’s Memorandum.

Loans and Credits to the Organization of Eastern Caribbean States (Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines): Telecommunications and Information and Communications (ICT) Development Project

5. The Executive Directors approved the loans and credits to the Organization of Eastern Caribbean States (OECS) for a Telecommunications and Information and Communications (ICT) Development Project, consisting of: a credit of SDR 400,000 (US\$541,600 equivalent) to the Commonwealth of Dominica; a credit of SDR 200,000 (US\$270,800 equivalent) and loan of US\$272,161 to Grenada; a loan of US\$544,322 to St. Kitts & Nevis; a credit of SDR 200,000 (US\$270,800 equivalent) and a loan of US\$272,161 to St. Lucia; and a credit of SDR 200,000 (US\$270,800 equivalent) and loan of US\$272,161 to St. Vincent & the Grenadines, on the payment terms and other terms and conditions set out in the President’s Memorandum (R2005-0090[IDA/R2005-0072, dated April 25, 2005).

Grant from the GEF Trust Fund to Serbia and Montenegro – Serbia Danube River Enterprise Pollution Reduction Project

6. The Executive Directors approved the grant from the Global Environment Facility Trust Fund to Serbia and Montenegro for the Serbia Danube River Enterprise Pollution Reduction Project in the amount of US\$9.02 million on the terms and conditions set out in the President's Memorandum (GEF/R2005-0005, dated April 25, 2005). Mr. Holland (via email dated May 12, 2005) wished to be recorded as opposed.

Additions to IDA Resources: Fourteenth Replenishment (Adoption of Resolution and Tally of Voting)

7. The Executive Directors recorded their approval on April 29, 2005 of the report entitled “Additions to IDA Resources: Fourteenth Replenishment (Adoption of Resolution and Tally of Voting)” (IDA/R2005-0069, dated April 19, 2005).

India: Trust Fund for Tsunami Disaster Recovery

8. The Executive Directors recorded their approval on May 6, 2005 of the recommendation contained in paragraph 6 of the Memorandum from the President entitled “India: Trust Fund for Tsunami Disaster Recovery” (R2005-0091[IDA/R2005-0073], dated April 26, 2005), namely, the establishment of the proposed Trust Fund for Tsunami Disaster Recovery in India, and for IDA to be the Trustee of the proposed Trust Fund. The Executive Directors adopted the following resolution:

RESOLUTION NO. 2005-0005

RESOLUTION NO. IDA 2005-0003

TRUST FUND FOR TSUNAMI DISASTER RECOVERY IN INDIA

WHEREAS:

(A) it is desirable to promote the purposes of International Bank for Reconstruction and Development (the Bank) and International Development Association (the Association) by establishing a Trust Fund for Tsunami Disaster Recovery in India (the Trust Fund), administered by the Association, in order to finance a post-tsunami emergency rehabilitation and reconstruction program in India (the Program);

(B) the Executive Directors of the Bank have proposed to the Board of Governors of the Bank to adopt a resolution authorizing the transfer from surplus of \$2.5 million to the Trust Fund;

(C) the Association is prepared to establish a Trust Fund, to be trustee thereof and to administer funds contributed thereto on the terms and conditions set forth in this Resolution;

NOW THEREFORE it is hereby resolved that, subject to the adoption by the Board of Governors of the Bank of the proposed resolution referred to in paragraph B of the Preamble:

A. Establishment of a Trust Fund

1. The Trust Fund is hereby established as a Trust Fund of the Association, constituted of funds which shall from time to time be contributed in accordance with the provisions of this Resolution, and any other assets and receipts of the Trust Fund.
2. The Association shall hold and administer such funds, assets and receipts in trust (in such capacity, the Trustee), and the Trustee shall manage and use such funds, assets and receipts only for the purpose of, and in accordance with, the applicable provisions of the Articles of Agreement of the Association and the provisions of this Resolution, keeping them separate and apart from the assets of the Bank and the Association, but may commingle them with other Trust Fund assets maintained by the Bank or the Association.
3. The Trustee is authorized to accept contributions to the Trust Fund from the Bank (Contribution Funds). Contributions to the Trust Fund shall be denominated in United States Dollars or other currencies acceptable to the Trustee.
4. The privileges and immunities accorded to the Association shall apply to the property, assets, archives, income, operations and transactions of the Trust Fund.
5. The Contribution Funds may be freely exchanged by the Trustee into other currencies as may facilitate their administration and disbursement.

B. Payment of Contributions to the Trust Fund

6. Payment of each contribution to the Trust Fund shall be made as follows:
 - (a) Payment shall be made in the form of cash to the Association, as Trustee of the Trust Fund.
 - (b) Payment of the full amount of each contribution shall be made at such time and in such manner as shall be agreed by the Trustee.

C. Administration of the Trust Fund

7. The Trustee may invest the Contribution Funds pending their disbursement in any instrument in which the Trustee is authorized to invest its own funds. No administration fees shall be charged or collected by the Trustee for administering this Trust Fund.
8. The Trustee shall establish and maintain appropriate records and accounts to identify the resources of the Trust Fund, the commitments to be financed out of the Trust Fund, and the receipts and disbursements of funds in the Trust Fund.
9. The Trustee shall, as soon as practicable after the end of each fiscal year of the Trustee, furnish to the Executive Directors of the Association and the Bank: (a) a report on the activities financed from the Trust Fund; and (b) an unaudited Statement of Receipts, Disbursement and Fund Balance with respect to the Trust Fund, together with a management assertion and an attestation from the Association's external auditors on the satisfactory performance of the procedures and controls used by the Association in administering trust funds. The costs of such attestations shall be borne by the Trustee.

D. Allocation of Trust Fund Resources

10. The resources of the Trust Fund may be used to support activities which are part of, and consistent with, the Program. The Trustee shall be responsible for the appraisal and supervision of such activities.

11. Proposals for activities to be funded from the Trust Fund resources shall be submitted for approval to the Trustee. Funding proposals shall include a detailed description of the activities to be funded and the amount of Trust Fund funding required. The amount of Trust Fund funding proposed for any activity may not exceed the aggregate amount of Contribution Funds plus any investment income earned thereon, less the aggregate of amounts of previously approved funding proposals and amounts retained by the Trustee pursuant to Section 7 hereof. Funding proposals shall be subject to the endorsement of the Trustee and the Trustee shall only provide financing from the Trust Fund for activities in accordance with funding proposals as endorsed by the Trustee.

E. Operations of the Trust Fund

12. Except as otherwise provided in this Resolution, all amounts credited to the Trust Fund shall be used exclusively for the purpose of making grants out of the resources of the Trust Fund to appropriate public and private entities in India, to be identified as recipients of grants, for activities approved by the Trustee in support of the Program.

13. Grants shall be subject to the following:

- (a) each grant shall be administered in accordance with the applicable procedures of the Association and subject to the Regional Vice President's approval;
- (b) each grant shall be evidenced by a separate agreement between the recipient and the Association, indicating in particular that the resources have been provided from the Trust Fund; and
- (c) grants shall be denominated in United States Dollars.

F. Termination of the Trust Fund

14. Except as the Trustee may otherwise decide, the closing date of the Trust Fund shall be April 30, 2008. The Trustee shall not make any new commitments of Trust Fund resources after the closing date. The functions of the Association as Trustee of the Trust Fund shall terminate, except for any action necessary for winding up the activities of the Trust Fund in an expeditious and orderly manner, as the Executive Directors of the Association may decide. On the termination of the Trust Fund pursuant to this paragraph, any uncommitted funds remaining in the Trust Fund, including any investment income, shall be transferred to the Association.

15. After all commitments from the Trust Fund shall have been fully disbursed, the Trustee shall as soon as practicable furnish to the Executive Directors of the Association a final report on the operations financed from the Trust Fund.

G. Amendment

17. The Executive Directors of the Association may amend the provisions of this Resolution as necessary.

H. Effective Date

18. This Resolution will enter into effect on the date of its adoption by the Executive Directors of the Association and the Bank.

Date of Next Meeting

9. It was agreed to hold a meeting of the Executive Directors of the Bank and IDA on Tuesday, May 17, 2005.

Adjournment

10. The meeting adjourned at 4:46 p.m.

Distribution:

Executive Directors and Alternates
President
Bank Group Senior Management
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, Bank, IFC and MIGA
Secretary, IMF