

***Administration Arrangement between the United Kingdom of Great Britain and Northern  
Ireland, acting through the Foreign, Commonwealth and Development Office  
and the International Bank for Reconstruction and Development  
concerning the Indonesia Sustainable Urbanization  
Multi-Donor Trust Fund (Trust Fund No.TF072581)***

1. The International Bank for Reconstruction and Development (the “Bank”) acknowledges that the United Kingdom of Great Britain and Northern Ireland, acting through the Foreign, Commonwealth and Development Office (“FCDO”) (the “Donor”, and together with the Bank, the “Participants” and each a “Participant”) has decided to provide the sum of one million two hundred thirty thousand pound sterling (£1,230,000) (the “Contribution”) for the Indonesia Sustainable Urbanization Multi-Donor Trust Fund (Trust Fund No.TF072581) (the “Trust Fund”) in accordance with the provisions of this Administration Arrangement. Other donors are also expected to contribute to the Trust Fund on the basis specified in the Annexes to this Administration Arrangement.
2. The Contribution will be used to finance the activities set forth in the “Indonesia Sustainable Urbanization 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.
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: £872,000
  - (B) By January 6, 2021: £358,000
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 Indonesia Sustainable Urbanization Multi-Donor Trust Fund (Trust Fund No.TF072581), 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](mailto: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”):

Marcus John Jin Sarn Lee  
Senior Urban Economist  
SEAU1  
The World Bank  
Indonesia Stock Exchange Tower 2 L12, Jalan Jend Sudirman Kav 52-53, Jakarta 12190  
Tel: 62-21-5299-3135  
E-mail: mlee1@worldbank.org

For the Donor (the “Donor Contact”):

Peter Turner  
Head of Global Infrastructure Programme  
Prosperity Fund Department  
Foreign, Commonwealth and Development Office  
King Charles Street  
London SW2 2AH

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 TF072581 (the Indonesia Sustainable Urbanization Multi-Donor 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; provided, however, that any annexes to this Administration Arrangement may be amended only by written amendment of all donors contributing to the Trust Fund.
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. It is an administrative arrangement between the Bank and the Donor.
11. All references made in the Annexes to “shall”, “Administration Agreement” and “Parties” will have the same meaning as the term “will”, “Administration Arrangement” and “Participants” herein. In addition, references in the Annexes to “agreements” or to tenses of the verb “to agree” will be deemed to constitute references to “decisions” or to tenses of the verb “to decide”, and references to “comply”, “non-compliance” and “obligations” will be deemed to constitute references to “adhere”, “non-adherence” and “terms”.

12. 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**

By: Bolormaa Amgaabazar

Name: Bolormaa Amgaabazar

Title: Acting Country Director, Indonesia and Timor-Leste

08-Dec-2020

Date: \_\_\_\_\_

**UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, ACTING THROUGH THE FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE**

By: Helen King

Name: Helen King

Title: Head of Prosperity Fund Department, FCDO

Date: 09-Dec-2020

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### **Indonesia Sustainable Urbanization Trust Fund Description**

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**

The objective of the Trust Fund is to support the Republic of Indonesia in developing a suite of policy, advisory, financing and program solutions to meet the challenge of sustainable urbanization.

#### **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) **Providing Sustainable Domestic Solutions for Urban Infrastructure Finance. Technical assistance to support:** (i) the operations of Regional Infrastructure Development Fund (RIDF) and (ii) the development of a Project Development Facility (PDF).

(b) **Supporting a Technical Advisory Facility for Urban Management.** Strengthening of systems and management capacity in data-based spatial planning, medium to long term integrated strategic plans, financial management assessments and creditworthiness in selected cities, including supporting: (a) the development of improved data management systems and web-based geographic information system platforms for improved city mapping and spatial analytics; (b) cities to use data-driven tools for urban growth diagnostics to develop medium-term strategic plans; and (c) financial management assessments and the establishment of the creditworthiness of local governments.

(c) **Developing National Vertical Programs and Approaches in Priority Urban Infrastructure Sectors.** Developing and strengthening national policy and regulatory framework for channeling investments to city-level in priority urban infrastructure sectors, including: (i) sector diagnostics in urban transport; (ii) national program development for urban transport support; (iii) targeted support for urban transport at city level; (iv) urban drainage, flood & disaster risk management program; (v) policies and guidelines for the national urban water supply program; (vi) targeted support for urban water at city-level; and (vii) carrying out of research and analytical studies on the urban transport sector for application of improved project preparation techniques for major infrastructure projects in the Bandung Basin Metropolitan Area (BBMA).

(d) **Producing Knowledge on Sustainable Urbanization.** Carrying out analysis, knowledge production, peer learning and exchange, flagship events, as well as institutional development and capacity-building activities to inform policy makers on policy options and priorities for sustainable urbanization.

(e) 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; supervision; 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:

(a) **Seed Financing for the Project Development Facility.** Providing support for the establishment and operations of the Project Development Facility under the Regional Infrastructure Development Fund.

(b) **Technical Appraisal Studies for Preparation of a Mass Transit Project in Bandung.** Provision of technical assistance to the relevant authorities of the BBMA to develop inputs, mainly related to economic, financial and commercial aspects, for the enhanced project preparation methodologies.

2.3. For purposes of this Section 2:

(a) “Bandung Basin Metropolitan Area” or “BBMA” means the cities of Bandung and Cimahi; the *kabupatens* (regencies) of Bandung and Bandung Barat; and five *kecamatan*s (villages) of Kabupaten Sumedang namely Tanjungsari, Cimanggung, Jatinangor, Pamulihan and Sukasari.

(b) “Project Development Facility” means the project preparation facility to be established by the Republic of Indonesia and financed out of this Trust Fund to support local governments in accessing the funds to be made available under the RIDF (as hereinafter defined).

(c) “Regional Infrastructure Development Fund” or “RIDF” means the fund to be established by the Republic of Indonesia and financed by the Bank based on an agreement to be entered into between the Bank and the Republic of Indonesia.

### **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, and also excluding extended term consultants and temporaries);
- (b) short-term consultants and temporaries;
- (c) extended term consultants and temporaries;
- (d) contractual services;
- (e) equipment and office premises lease cost;
- (f) media, workshops, conferences and meetings; and
- (g) travel expenses.

3.2. For purposes of this paragraph 3: (i) “staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)” includes salaries, benefits and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; (ii) "extended term consultants and temporaries" includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) “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 World Bank’s Donor center secure 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) consulting services;
- (b) goods;
- (c) operating costs; and
- (d) 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. Governance**

5.1 There shall be established a Steering Committee (“Steering Committee”) co-chaired by the Bank’s Country Director or his/her designate and a primary echelon 1 official of the Republic of Indonesia or his/her designate and consisting of representatives of the donors and other ministries, and responsible for providing overall strategic orientation for the implementation of the Trust Fund and reviewing annual reports.

5.2 There shall be an Operations Manual (“Operations Manual”), setting forth the arrangements and procedures for the operation of the Trust Fund, consisting of details of activities and work plans, implementation arrangements, budgeting, and monitoring and reporting arrangements, as agreed between the Bank and the Donor in accordance with this Administration Agreement. The Operations Manual can be amended from time to time with prior agreement between the Bank and the Donor. In the event of any conflict between the Operations Manual and this Administration Agreement, the terms of this Administration Agreement shall prevail.

### **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, 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 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 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 World Bank's Donor center secure 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 World Bank's Donor center secure website.

3.3. The Bank shall provide to the Donors via the World Bank's 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 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.

3.5. 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.

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

4.1. The Bank shall provide the Donors with semi-annual written progress reports by January 31 and July 31 of each year. 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.



## **5. Disbursement; Cancellation; Refund**

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

## **6. Disclosure; Dispute Resolution**

6.1 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.

6.2 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.

## **7. Grants to Recipients**

7.1. 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.

7.2. 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.

7.3. 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.

**8. Trust Fund Fee**

8.1. The Bank shall calculate a fee each time funds (the “Grant Amount”) from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the “Calculation Date”). The fee so calculated by the Bank shall 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 shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall 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.

8.2. Following each Calculation Date, the Bank shall 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.