

CONFORMED COPY

January 20, 2011

Mr. Nobumitsu Hayashi
Executive Director for Japan
Office of the Executive Director for Japan
The World Bank, 1818 H Street NW
Washington, D.C. 20433
United States

Trust Fund Administration Agreement between Japan Ministry of Finance and the International Bank for Reconstruction and Development and the International Development Association concerning the Japan World Bank Distance Learning Partnership Phase 2 Single-Donor Trust Fund (TF071627)

Dear Mr. Hayashi:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”) that the Japan Ministry of Finance (the “Donor”) shall make available from the PHRD Trust Fund as a grant the sum of three million United States Dollars (US\$ 3,000,000) and an indicative amount of up to three million United States dollars (US\$ 3,000,000) per annum for the five (5) year duration of the Project (the “Contribution” or “Contributions”), subject to approval of the Government of Japan (for the Japan World Bank Distance Learning Partnership Phase 2 Trust Fund (the “Trust Fund”) in accordance with the terms of this Agreement. Funding will be on an annual basis, following consultation and agreement between the Donor and the Bank.

2. Activities and Expenditures Financed by the Contribution

2.1. The Contribution shall be used to finance the activities and the categories of expenditure set forth in the “Description of Activities and Expenditures under the Japan World Bank Distance Learning Partnership Phase 2 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 Agreement.

3. Administration of the Contribution

3.1. The Bank shall be responsible only for performing those functions specifically set forth in this Agreement and shall not be subject to any other duties or responsibilities to the Donor, 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 Agreement shall be considered a waiver of any privileges or immunities of the IBRD and IDA under their Articles of Agreement or any applicable law, all of which are expressly reserved.

3.2. The Contribution 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 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 Donor acknowledges 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 the Donor, nor shall it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

4. Deposit of the Contribution

4.1. The Donor will provide its Contribution using funds from the PHRD Trust Fund. Accordingly, the Donor hereby authorizes the Bank, to transfer from the existing PHRD Trust Fund (TF No. 021330) via the PHRD Multilateral Account (TF050728) for the Support to Japan World Bank Distance Learning Partnership Phase 2 Trust Fund TF071627 (the "Trust Fund") promptly following countersignature of this Agreement by the Donor three million United States Dollars (US\$ 3,000,000).

5. Commingling, Exchange and Investment of the Contributions

5.1. The Contributions shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The Contributions may be commingled with other trust fund assets maintained by the Bank.

5.2. The Contributions may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

5.3. The Bank shall invest and reinvest the Contribution pending their disbursement in accordance with the Bank's 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.

6. Administrative Cost Recovery

In order to assist in the defrayment of the costs associated with the establishment of the Trust Fund, the Bank may, following deposit of the Contribution by the Donor to the Trust Fund, deduct and retain for its own account from that Contribution an amount equal to and not greater than thirty-five thousand United States dollars (US\$35,000).

7. Procurement

The employment and supervision of any consultants and the procurement of any goods financed by the Contributions shall be the responsibility of the Bank and shall be carried out in accordance with its applicable policies and procedures.

8. Accounting and Financial Reporting

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

8.2. The Bank shall furnish to the Donor current financial information relating to receipts, disbursements and fund balance *in the holding currency* of the Trust Fund 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* of the Trust Fund with respect to the Contributions will be made available to the Donor via the World Bank's Trust Funds Donor Center secure website.

8.3. The Bank shall provide to the Donor, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (1) 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 (2) 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.

8.4. If the 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 paid by the Donor.

9. Progress Reporting

9.1. The Bank and the Donor will agree on an annual work program and budget that will serve as a guide for activities and expenditures for the upcoming year.

9.2. The Bank shall provide the Donor with annual reports on the progress of activities financed by the Contributions, addressing activities undertaken, expenditures, and assessment of results. Within six (6) months of the final disbursement date specified in paragraph 10.1, the Bank shall furnish to the Donor a final report on the activities financed by the Trust Fund.

9.3. The Donor may review or evaluate activities financed by 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 its policies and procedures. All associated costs 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.

10. Disbursement; Cancellation; Refund

10.1. It is expected that the Contributions will be fully disbursed by the Bank by December 31, 2015. The Bank shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donor.

10.2. The Donor or the Bank may, upon three (3) months' prior written notice, cancel all or part of any remaining balance of the Contributions 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 Agreement prior to the receipt of such notice.

10.3. Following the final disbursement date specified in paragraph 10.1, the Bank shall return any remaining balance of the Contributions to the Donor Balance Account (TF059126) based on the Donor's paid Contributions. In the event of a cancellation the Bank shall promptly return to the Donor Balance Account (TF059126) the uncommitted Contributions in accordance with paragraph 10.2.

11. Communication and Addresses

Any notice, request or other communication to be given or made under this Agreement shall be in writing and delivered by mail, facsimile 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:

Mr. Philip E. Karp
Lead Specialist
Office of the Regional Vice President, EAPVP
The World Bank
1818 H Street, NW
Washington, D.C. 20433
United States of America

Tel: 86-10-5861-7670
E-Mail: pkarp1@worldbank.org

For the Donor:

Mr. Nobumitsu Hayashi
Executive Director for Japan
Office of the Executive Director for Japan
The World Bank, 1818 H Street NW
Washington, D.C. 20433
United States of America

Tel: (202) 458-0098
E-mail: nhayashi@worldbank.org

12. Amendment

All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the Bank and the Donor.

13. Disclosure

The Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Agreement and related information on this Trust Fund.

Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

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

s/ James W. Adams

James W. Adams
Regional Vice President
East Asia and Pacific

AGREED:

JAPAN MINISTRY OF FINANCE

By: s/ Nobumitsu Hayashi

Date: February 4, 2011

Mr. Nobumitsu Hayashi

Executive Director for Japan

cc: Huq, Wahida-
Ndoko, Honore-
Karp, Philip E.-
Shah, Sajjad Ali-

ANNEX 1**Description of Activities and Expenditures under the Japan World Bank Distance Learning Partnership Phase 2 Trust Fund**

This Annex shall be applicable to and form an integral part of the agreement entered into between the Bank and the Donor that provides contributions (the aggregate of all contributions from the Donor, the “Contributions”) to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

The objective of this Trust Fund is to solidify the role of the Tokyo Development Learning Center (TDLC) as a world-class platform for knowledge dissemination, capacity building and technology and network support to the Asia Pacific community of the Global Development Learning Network.

The Trust Fund will support the following Bank Executed Activities:

A. Learning Program Design and Delivery

Identification, design, development and annual delivery of courses in key strategic subject areas that have high development impact and are based on the TDLC’s comparative advantages. The following areas have been identified: (i) Environment and Disaster Risk Management (including climate change) (ii) Health, Labor, Education and Science/Technology, and (iii) PPP/Private Sector/Finance.

B. Knowledge Sharing Platform

Provision of platform and services for sharing knowledge on development, providing the facilities, connectivity, network outreach and design expertise to allow clients and partners to deliver a varied range of knowledge and learning activities including courses, seminars, workshops, conferences, and dialogues. TDLC’s services will include instructional design, marketing of programs for greater outreach, mobilization of experts or additional partner organizations, and technology/connectivity support.

B. Technology Services and Regional Network Development

Provision of videoconference bridging, multimedia services, and e-learning platform support in the East Asia and Pacific region, and expansion of the regional GDLN network.

B. CATEGORIES OF EXPENDITURE

- I. The Contributions may be used to finance:
- (a) Staff costs-No Indirects (including regular staff, short term consultants or STC's, extended term consultants or ETC's short term temporary staff or STTs, and extended term temporary staff or ETTs);
 - (b) Field benefits;
 - (c) Temporary support staff costs;
 - (d) Media and Workshop costs;
 - (e) Associated overheads;
 - (f) Consultant fees;
 - (g) Contractual services;
 - (h) Equipment lease costs;
 - (i) Equipment purchase costs, and
 - (j) Travel expenses

The foregoing categories of expenditures may include the financing of taxes.

II. The Contributions may be used to finance eligible expenditures incurred under Phase I of the Japan World Bank Distance Learning Partnership prior to the date of countersignature of this Agreement but on or after July 1, 2010, up to an aggregate amount not to exceed one million seven hundred thousand United States Dollars (US\$ 1,700,000) equivalent.