April 9, 2013

Mrs. Beatrice Maser Mallor  
Ambassador  
State Secretariat for Economic Affairs  
Federal Department of Economic Affairs  
Holzikofenweg 36  
CH-3003 Bern  
SWITZERLAND

Trust Fund Administration Arrangement between  
the Government of the Swiss Confederation and the  
International Bank for Reconstruction and Development  
concerning the Central Asia Energy-Water Development Program  
Multi-Donor Trust Fund (TF071664)

Dear Mrs. Beatrice Maser Mallor:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD" or the "Bank"), that the Government of the Swiss Confederation (the "Donor"), acting through the State Secretariat for Economic Affairs ("SECO"), shall make available as a grant the sum of three million five hundred thousand United States Dollars (USD $3,500,000) (the "Contribution") for the Central Asia Energy-Water Development Program Multi-Donor Trust Fund (the "Trust Fund") in accordance with the provisions of this Arrangement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Arrangement.

2. The Contribution will be used to finance the activities and the categories of expenditure set forth in the "Description of Activities, Expenditures and Governance Arrangements under the Central Asia Energy-Water Development Program Multi-Donor Trust Fund" attached hereto as Annex 1, and will be administered by the Bank on behalf of the Donor in accordance with the provisions of this Arrangement including the "Standard Provisions Applicable to the Central Asia Energy-Water Development Program Multi-Donor Trust Fund" (the "Standard Provisions") attached hereto as Annex 2.

3. The Donor will deposit the Contribution into such bank account designated by the Bank promptly following countersignature of this Arrangement by the Donor and submission of a payment request by the Bank.

4. When making such deposit, the Donor will instruct its bank to include in its payment detailed information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the
Donor for TFO71664 (the Central Asia Energy-Water Development Program Multi-
Donor Trust Fund), and the date of the deposit (the “Deposit Instruction”). In 
addition, the Donor will provide a copy of the Donor’s Deposit Instruction to the 
Bank’s Accounting Trust Funds Division by email sent to 
tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

5. The Bank shall convert the Contribution funds into the holding currency of 
the Trust Fund, namely United States Dollars, promptly upon receipt of the 
Contribution funds and the Deposit Instruction containing the information specified in 
paragraph 4 at the exchange rate obtained by the Bank on the date of the conversion. 
Where the Contribution proves to be insufficient to complete the activities as a result 
of an exchange rate fluctuation, neither the Bank nor the Donor shall bear any 
responsibility for providing any additional financing. 

6. Except as provided for in paragraph 4 above, any notice, request or other 
communication to be given or made under this Arrangement will 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:

Daryl Fields  
Senior Energy Water Specialist  
ECA Energy Unit  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Tel: 1 (202) 458 8740  
Fax: 1 (202) 614 1569  
E-mail: dfields@worldbank.org

For the Donor:

Ueli Ramseier  
Program Manager  
State Secretariat for Economic Affairs  
Federal Department of Economic Affairs  
Holzkofenweg 36  
CH-3003 Bern  
SWITZERLAND

Tel: (41) 31325 14 61  
Fax: (41) 31324 09 65  
E-mail: ueli.ramseier@seco.admin.ch
7. All annexes hereto constitute an integral part of this Arrangement. This Arrangement may be amended only in writing between the Bank and the Donor; provided, however, that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.

8. Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Arrangement. Upon receipt by the Bank of the copy of this Arrangement countersigned by you, this Arrangement will become effective as of the date of the countersignature. It is understood that this Arrangement is not an international treaty. It is an Administration Arrangement between Donor and the Bank.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]
Saroj Kumar Jha
Regional Director
Central Asia

AGREED:

GOVERNMENT OF SWISS CONFEDERATION

By: [Signature]
Date: 17.4.2013

Name: Beatrice Maser Mallor
Title: Ambassador
    Delegate of the Swiss Government for Trade Agreements
ANNEX 1

DESCRIPTION OF ACTIVITIES AND EXPENDITURES
UNDER THE CENTRAL ASIA ENERGY-WATER DEVELOPMENT
PROGRAM MULTI-DONOR TRUST FUND

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

A. DESCRIPTION OF ACTIVITIES

The main objective of this Trust Fund is to support the implementation of the Central Asia Energy-Water Development Program (the “Program” as described below), aimed at building energy and water security through regional co-operation among World Bank Group member countries in Central Asia. The Program will entail:

- Analytical work aimed at ensuring that the program is underpinned by strong analysis particularly in terms of the governance and political context of the region.
- Dialogue aimed at consensus building amongst countries and regional organizations with a view to encouraging countries and regional organizations to participate in the development and implementation of the Program, through regular consultation.
- Donor co-ordination and harmonization aimed at ensuring broad based support for the Program among Donors, and commitment to the overarching Program framework.

The contributions may be used to finance the following activities:

(a) Bank-executed Trust Fund Activities:

(i) Analytical and Advisory Activities: Analytical and Advisory activities on matters of energy and water security (including policy advice, expert advisory services, study tours, options analyses and pre-investment studies); strengthening existing national and regional institutions that promote energy and water security and facilitating establishment of similar new institutions.

(ii) Program Management and Supervision: Management of the implementation and strategic direction of the Program; oversight and supervision of the Recipient-executed activities set out in paragraph (b) below; Program administration including preparation, review and/or processing of all required grant monitoring reports, letters of representation, call of funds, legal documentation and the like.
(b) Recipient-executed Trust Fund Activities:

Technical advisory services; institutional strengthening and capacity building; preparation of projects; administration of projects by project implementation units; and acquisition of software and other technology enhancements.

B. CATEGORIES OF EXPENDITURE

For Bank-executed Trust Fund activities, the Contributions may be used to finance:

(a) Associated Overheads
(b) Consultant Fees
(c) Contractual Services
(d) Extended Term Consultants
(e) Media and Workshops
(f) Staff Costs
(g) Temporary Support Staff Costs (including Program Administrators)
(h) Travel Expenses

For Recipient-executed Trust Fund activities, the Contributions may be used to finance:

(a) Goods
(b) Consulting
(c) Operating Costs
(d) Training
(e) Other

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

C. GOVERNANCE ARRANGEMENTS

1. An advisory committee for the Trust Fund consisting of the Trust Fund Program Manager, Bank representatives and representatives of eligible Donors will be established ("Advisory Committee"). Each Eligible Donor may designate one representative to serve on the Advisory Committee. Representatives of beneficiary countries, beneficiary institutions and other development partners may be invited to attend the Advisory Committee's meeting as observers. The Advisory Committee will provide strategic guidance, oversee project implementation and progress, advice on priority themes for the annual work programs for the Trust Fund and approve any necessary rules of operation of the Trust Fund ("Rules of Operation"), including any rules relating to frequency of meetings, guidelines and time schedules. The Advisory Committee will approve recipient-executed activities based on proposal in the annual work programs. Activities for Bank execution will be selected by the Trust Fund Program Manager (with Bank management oversight) for funding and will not require
Advisory Committee approval so long as they are consistent with the strategic guidance and the annual work program as defined by the Advisory Committee.

2. The Advisory Committee will meet at least once a year. Prior to the Advisory Committee’s meeting, the Trust Fund Program Manager will produce progress reports describing the status of ongoing activities and listing completed activities under the Trust Fund, and setting out risk assessments and key challenges for the Program.

3. The Trust Fund Program Manager will be responsible for: (a) screening, approving and coordinating allocations of funds to selected activities and projects; (b) preparation of the annual work program for review and advice on priorities for funding by the Advisory Committee; (c) presenting proposals for Recipient-executed activities for approval by the Advisory Committee; (d) providing the list of Bank-executed activities approved by the Bank to the Advisory Committee; (e) collecting, analyzing and summarizing information required for Trust Fund monitoring and evaluation purposes and providing technical support (such as, preparation of the agendas, keeping minutes and organization of meetings) to the Advisory Committee; and (f) overall fiduciary management and oversight for the Program (including all use of funds under the Program) and monitoring and addressing Program risks.

4. Subject to the Bank’s Access to Information Policy, the Donors will have access to all Trust Fund documents such as grant applications, minutes of Advisory Committee meetings, terms of reference, and various progress and completion reports.

5. For the purposes of this Part C, the following terms will have the meanings assigned to them below:

   (a) "Eligible Donor" means a Donor whose contribution to the Trust Fund is an amount no less than One Million United States Dollars (US$1,000,000).

   (b) "Trust Fund Program Manager" means a Bank staff assigned by the Bank to act as the Trust Fund Program Manager.
ANNEX 2

STANDARD PROVISIONS APPLICABLE TO THE
CENTRAL ASIA ENERGY-WATER DEVELOPMENT PROGRAM
MULTI-DONOR TRUST FUND

This Annex shall be applicable to and form an integral part of all agreements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

1. Administration of the Contributions

1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Arrangement 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 Arrangement 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.

1.2. 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.

2. Commingling, Exchange and Investment of the Contributions

2.1. 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.

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

2.3. The Bank shall invest and reinvest the Contributions 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.
3. **Administrative Cost Recovery**

3.1. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, the Bank may, following deposit of the Contribution, deduct and retain for its account an amount equal to two percent (2%) of the Contribution. In addition, costs for Trust Fund administration and program management as defined in Annex 1 up to a maximum of six percent (6%) of the Contribution will be charged to the Trust Fund on an actual basis. If the Contribution increases beyond what was originally expected at the time of counter-signature of this Arrangement, and the administrative costs increase as a result, the Donor acknowledges that an additional administrative fee may be applied to such new contribution to be paid of the new contribution.

4. **Grant to Recipient**

4.1. The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into a grant agreement (the “Grant Agreement”) with the eligible recipients (the “Recipient”) consistent with the purposes of this Arrangement and on the terms and conditions set forth in the Grant Agreement. Grant Agreement 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. Upon request by a Donor, the Bank shall furnish a copy of the Grant Agreement to the Donors.

4.2. The Bank shall be responsible for the supervision of the activities financed under the Grant Agreement. Subject to the consent of the Recipient, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

4.3. The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreement and of any contractual remedies that are exercised by the Bank under any Grant Agreement. 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.

5. **Procurement**

5.1. For Recipient-executed activities, the Grant Agreement shall provide that the Contributions shall be used by the Recipient to finance expenditures for goods and services, as the case may be, in accordance with the Bank’s Guidelines on “Procurement under IBRD Loans and IDA Credits” and the Bank’s Guidelines on the “Selection and Employment of Consultants by World Bank Borrowers,” as in effect at the date of entry into the respective Grant Agreement.

5.2. For Bank-executed activities, the employment and supervision of any consultants and the procurement of any goods financed by the Contributions will be the responsibility of the Bank and will be carried out in accordance with its applicable policies and procedures.
5.3 SECO will not be responsible for the activities of any person or third party engaged by the World Bank as a result of this Administration Arrangement, nor will SECO be liable for any costs incurred by the World Bank in terminating the engagement of any such person except as a sole and direct result of a failure by SECO to provide the funds committed under the Administration Arrangement.

6. Accounting and Financial Reporting

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

6.2. The Bank shall furnish to the Donors 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 Donors via the World Bank’s Trust Funds Donor Center secure website.

6.3. The Bank shall provide to the Donors, 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 will be borne by the Bank.

6.4. 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 will first consult as to whether such an external audit is necessary. The Bank and the Donor will agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank will arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, will be paid by the requesting Donor.

6.5. The Bank will provide the Donors with copies of all financial statements and auditors’ reports received by the Bank from the Recipient pursuant to the Grant Agreement.

7. Progress Reporting

7.1. The Bank will provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.1, the Bank will furnish to the Donors a final report on the activities financed by the Trust Fund.

7.2. Any Donor may review or evaluate activities financed by the Trust Fund. The Donor and the Bank will agree on the scope and conduct of such review or evaluation, and the Bank will provide all relevant information within the limits of its policies and
procedures. All associated costs will 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.

8. **Disbursement; Cancellation; Refund**

8.1 It is expected that the Contributions will be fully disbursed by the Bank by January 1, 2015. The Bank will only disburse Contributions for the purposes of this Arrangement after such date with the written approval of the Donors.

8.2 Any Donor or the Bank may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share, of any remaining balance of the Contributions that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Arrangement prior to the receipt of such notice, including the Grant Agreement.

8.3 Following the final disbursement date specified in paragraph 8.1, the Bank will return any remaining balance of the Contributions to the Donors or to the relevant Donor Balance Account on a pro rata basis based on the Donors’ paid Contributions. In the event of a cancellation the Bank shall promptly return to the relevant Donor or Donors or to the relevant Donor Balance Account the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 8.2.

9. **Disclosure**

The Bank may disclose this Arrangement and information on this Trust Fund in accordance with the Bank’s policy on disclosure of information, in effect at the time of such disclosure. By entering into this Arrangement, Donors consent to disclosure of this Arrangement and information on this Trust Fund.