Mr. Björn Hägmark
Chargé d’affaire
Embassy of Sweden
Nairobi
Kenya

Trust Fund Administration Agreement between Sweden (represented by the Swedish International Development Cooperation Agency), International Bank for Reconstruction and Development (IBRD), and the International Development Association (IDA) Concerning the Cooperation in International Waters in Africa Multi-Donor Trust Fund (TF No. 071597)

Dear Mr. Hägmark:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development and the International Development Association ("IBRD", "IDA" or the "Bank") that Sweden, represented by the Swedish International Development Cooperation Agency ("Sida" or the "Donor"), shall make available as a grant the sum of one hundred seventy million Swedish Kronor (SEK 170,000,000) (the "Contribution") for the Cooperation in International Waters in Africa Multi-Donor Trust Fund ("CIWA" or the "Trust Fund") in accordance with the terms of this Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement. All references to "Administration Arrangement" in this Agreement, Annexes and related documents will have the same meaning as the term "Administration Agreement" used herein.

2. The Contribution will be used to finance the activities and the categories of expenditures in accordance with the terms set forth in the "Description of Activities, Expenditures for the Cooperation in International Waters in Africa Multi-Donor Trust Fund" attached hereto as Annex 1 and in the "Cooperation in International Waters in Africa Multi-Donor Trust Fund Governance Structure" attached hereto as Annex 2, and will be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement including the "Standard Provisions Applicable to the Cooperation in International Waters in Africa Multi-Donor Trust Fund" attached hereto as Annex 3. In the event of any inconsistency between the annexed "Cooperation in International Waters in Africa Multi-Donor Trust Fund Governance Structure" and the terms of this Agreement, the terms of this Agreement will prevail. These Annexes will be applicable to and form an integral part of all agreements or arrangements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

3. The Donor shall deposit the Contribution into such bank account designated by the Bank in installments in accordance with the following schedule:

   (a) promptly following countersignature of this Agreement by the Donor and submission of a payment request by the Bank, thirty million Swedish Kronor (SEK 30,000,000);

   (b) on or before June 30, 2014, twenty million Swedish Kronor (SEK 20,000,000) upon submission of a payment request by the Bank;
(c) on or before June 30, 2015, fifty million Swedish Kronor (SEK 50,000,000) upon submission of a payment request by the Bank;

(d) on or before June 30, 2016, fifty million Swedish Kronor (SEK 50,000,000) upon submission of a payment request by the Bank; and

(e) on or before June 30, 2017, twenty million Swedish Kronor (SEK 20,000,000) upon submission of a payment request by the Bank.

4. When making each such deposit, the Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor for TF071597 (the Cooperation in International Waters in Africa Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instruction”). In addition, the Donor shall provide a copy of the Donor’s Deposit Instruction to the Bank’s Accounting Trust Funds Division by e-mail 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 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. Gustavo Saltiel
Program Manager
AFTN2
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.
Tel: (202) 473-8586
E-mail: gsaltiel@worldbank.org
7. All annexes hereto constitute an integral part of this Agreement. This Agreement 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 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 AND INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Jamal Saghir
Director Sustainable Development Department
Africa Region

AGREED:

SWEDEN
(Represented by the Swedish International Development Cooperation Agency)

[Signature]
By: Björn Haggmark
Name: Björn Haggmark
Title: chargé d'affaires a.i.
Date: 30 Nov 2012
Description of Activities and Expenditures and Governance Arrangements under the Cooperation in International Waters in Africa Multi-Donor Trust Fund

This Annex will be applicable to and form an integral part of all agreements or arrangements 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 objective of the Project is to strengthen cooperative management and development of international waters in Africa to facilitate sustainable, climate resilient growth.

I. Bank-Executed Trust Fund Activities:

   (i) putting together a program of activities to foster regional cooperation and institutional strengthening, including production of economic analyses and carrying out of workshops, training, conferences and study tours;

   (ii) managing and developing water resources with a focus on enabling sustainable growth and development from effective and efficient use of resources; including production of climate change impact assessments and sector-related analyses and carrying out of workshops, training, conferences and study tours;

   (iii) supporting stakeholders’ engagement in consensus building for regional cooperation and promoting communication and knowledge dissemination through, inter alia, the provision of workshops and seminars;

   (iv) carrying out enhanced World Bank supervision of the Recipient-executed activities, including preparation of back-to-office reports, project preparation note and aides-mémoire;

   (v) carrying out program evaluation, including mid-term and final reviews;

   (vi) managing the Trust Fund;

   (vii) managing the day to day administration of the project activities; and

   (viii) any other activity as advised by the Advisory Committee in line with the overall objectives of the Trust Fund.

II. Recipient-Executed Trust Fund Activities:

   (i) carrying out a program of activities to foster regional cooperation and institutional strengthening, including production of economic analyses and carrying out of workshops, training, conferences and study tours;

   (ii) managing and developing water resources with a focus on enabling sustainable growth and development from effective and efficient use of resources; including
production of climate change impact assessments and sector-related analyses and carrying out of workshops, training, conferences and study tours;

(iii) supporting stakeholders’ engagement in consensus building for regional cooperation and promoting communication and knowledge dissemination through, *inter alia*, the provision of workshops and seminars; and

(iv) any other activity as advised by the Advisory Committee in line with the overall objectives of the Trust Fund.

**B. CATEGORIES OF EXPENDITURE**

For Bank-Executed activities the Contributions may be used to finance (a) Associated Overheads; (b) Consultant fees; (c) Contractual services; (d) Equipment cost lease; (e) Extended term consultants; (f) Media and workshop costs; (g) Staff costs that include all staff as defined by the Bank’s HR policies and that includes Regular, Term, Co-Term, ETC, ETT, STC, STT; (h) Temporary support staff costs (program administration); and (i) travel expenses.

For Recipient-Executed activities, the Contributions may be used to finance (a) Goods; (b) Works; (c) Consultant Services; (d) Training and Workshops; (e) Operating Costs; and (f) Sub-grants.

Contribution funds may be used, under grant agreements with the Recipient(s), to finance taxes levied on eligible expenditures. This provision will apply in situations where no tax exemptions are available for such eligible expenditures.
Cooperation in International Waters in Africa Multi-Donor Trust Fund
Governance Structure

CIWA will be managed by the Water Resources Management Unit (AFTWR) in the World Bank. AFTWR is responsible for the administration as well as managing the MDTF including fiduciary risks.

Governance, Administration and Execution. The governance structure is designed to ensure a participatory and flexible approach. The governance arrangements will comprise two main structures:

- **CIWA Advisory Committee.** At least one annual meeting with the Advisory Committee will be held and if needed, a semi-annual meeting will also be considered. The Advisory Committee’s role will be to guide strategy, review program implementation, and monitor results, periodic meetings of consultative groups targeted on specific river-basins might also be considered. The committee will comprise all trust fund donors who wish to participate and the World Bank. The World Bank will provide an annual progress report as a basis for discussion, drawing out key issues, concerns, and action points. Non-MDTF contributing partners may also be invited to meetings to broaden dialogue and maintain an inclusive approach. The Committee will be both consultative and advisory and will include: (i) provision of a forum for CIWA countries and development partners to meet, exchange information, and consult on a regular basis (e.g. at least one major meeting a year either in Sub-Saharan Africa or in a donor host country); (ii) review and discuss progress reports and implementation of trust fund-financed programs; and (iii) review of CIWA funding needs and promotion of the participation of new donors to close funding gaps and support new program components. The CIWA Advisory Committee is responsible for overseeing the operation of the trust fund. It will provide oversight and ensure that the use of its resources meet the objectives of the CIWA program. The CIWA Advisory Committee meeting will advise on appropriate action to promote the participation of new partners and additional funding to close gaps and support new program components. Members of the CIWA Advisory Committee will include a representative of the World Bank and a representative of each partner contributing to the CIWA MDTF, such as multilateral and bilateral institutions, non-governmental organizations and foundations, provided that they had signed an administrative agreement/arrangement, or a series of administrative agreements/arrangements, with the World Bank for the CIWA MDTF (“the CIWA MDTF agreement”) with a minimum contribution of USD 500,000.

- **Trust Fund Core Team.** A dedicated Trust Fund Core Team will be responsible for the day-to-day administration of the MDTF comprising initially a TTL of the MDTF and an Operations Analyst appointed by AFTWR. While the Trust Fund Core Team will consult the Advisory Committee for strategic guidance and advice, the trust fund management decisions will be the responsibility of a TTL of the MDTF, with oversight and guidance from World Bank Management (Sector Manager, Director, etc). They will be responsible for: (a) coordinating the allocation of resources to selected activities and projects; (b) approval of proposals; (c) providing updates on the implementation progress; (d) monitoring outputs and expenditures; (e) quality assurance; (f) overall fiduciary management; (g) any other related administrative responsibilities, including issuing the
minutes of the Advisory Committee meetings. The Core Team will assemble a panel for peer review of proposals that will provide recommendations to the CIWA Trust Fund Core Team on proposals. The core team will be expanded if needed as the CIWA program evolves.
ANNEX 3

Standard Provisions Applicable to the Cooperation in International Waters in Africa Trust Fund Multi-Donor Trust Fund

1. Administration of the Contributions

1.1. The Bank will be responsible only for performing those functions specifically set forth in this Arrangement and will 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 will 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 will 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 of 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 will 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 will be accounted for as a single trust fund and will 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 will 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 will 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 deduct and retain for its own account an amount equal to two percent (2%) of each Contribution. In addition, costs for program management and supervision as defined in Annex 1 up to a maximum of six percent (6%) of each contribution will be charged to the Trust Fund on an actual basis.

4. Grants to Recipients

4.1. The Bank will, as administrator of the Trust Fund on behalf of the Donors, enter into grant agreements (the “Grant Agreements”) with eligible recipients selected in accordance with
the governance terms of Annex 2 (the “Recipients”) consistent with the purposes of this 
Arrangement 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 or Arrangements between 
the Bank and the Donors. Upon request by a Donor, the Bank will furnish a copy of the Grant 
Agreements to the Donors.

4.2. The Bank will be responsible for the supervision of the activities financed under the 
Grant Agreements. Subject to the consent of the relevant Recipients, 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 will 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 will 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 Agreements will provide that the 
Contributions will be used by the Recipients to finance expenditures for goods, works 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 
Agreements.

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.

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 will 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 will 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 Recipients pursuant to the Grant Agreements.

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 May 31, 2021. 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 Agreements.

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 on a pro rata basis based on the Donors' paid Contributions. In the event of a cancellation the Bank will promptly return to the relevant Donor or Donors the Donor's pro rata share of uncommitted Contributions in accordance with paragraph 8.2.

9. Disclosure

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