Ms. Lisa Smith-Kulley  
Agreements Officer  
Contracts and Grants Management Division (CGM)  
Millennium Challenge Corporation  
1401 H Street, NW  
Washington, D.C. 20005

Trust Fund Administration Agreement between the Millennium Challenge Corporation and the International Bank for Reconstruction and Development and the International Development Association concerning the Public-Private Infrastructure Advisory Facility (PPIAF) Trust Fund II (TF 053980)

Dear Ms. Smith-Kulley

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 Millennium Challenge Corporation (the "Donor") shall make available as a grant the sum of two hundred fifty thousand United States Dollars (US$250,000) (the "Contribution") for the Public-Private Infrastructure Advisory Facility (PPIAF) Trust Fund II (TF 053980) (the "Trust Fund") in accordance with the terms of this Agreement. Other donors are also expected to contribute to this trust fund on the terms and conditions specified in the Annexes to this Agreement.

2. The Contribution will be used to finance the activities and the categories of expenditure set forth in the "Description of Activities and Expenditures under the PPIAF Multi-Donor 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 including the "Standard Provisions Applicable to the PPIAF Multi-Donor Trust Fund II" (the "Standard Provisions") attached hereto as Annex 2.

3. The Donor shall deposit the Contribution into such bank account designated by the Bank promptly following countersignature of this Agreement by the Donor and submission of a payment request by the Bank.
4. When making such deposit, the Donor shall instruct its payment office 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 TF053980 (PPIAF MULTI-DONOR TRUST FUND II) and the date of deposit (the “Deposit Instruction”). In addition, the Donor shall provide a copy of the Donor’s Deposit Instruction to the Bank’s Trust Funds Accounting Division by e-mail sent to “tfremitadvice@worldbank.org” or by fax to (+1 202) 614-1315.

5. 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. Jose Luis Irigoyen
Director
Transport, Water, Information and Communication Technologies
Sustainable Development Network
The World Bank
1818 E. Street, N.W.
Washington, D.C. 20433, United States of America
Tel: +1 202 453-5343
Email: jirigoym@worldbank.org

For the Donor:

Mr. Stephen B. Gaull
Senior Advisor
Finance, Investment and Trade Team
Department of Compact Development
Millennium Challenge Corporation
875 15th Street, N.W.
Washington, D.C. 20005, United States of America
Tel: +1 202 521-3632
Email: gaullsb@mcc.gov

6. 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.
7. 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.

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
INTERNATIONAL DEVELOPMENT ASSOCIATION

Jose Luis Irigoyen
Director
Transport, Water, Information and Communications Technologies
Sustainable Development Network

CONFIRMED AND AGREED:

MILLENNIUM CHALLENGE CORPORATION

By: [Signature]
Lisa Smith-Kulley
Agreements Officer
Contracts and Grants Management (CGM)

Date: 8/9/13
Description of Activities and Expenditures under the Public-Private Infrastructure Advisory Facility (PPIAF) Trust Fund II (TF No. 053980)

I. Description of Activities:

The Public-Private Infrastructure Advisory Facility (PPIAF) Trust Fund (TF No. 023361) and the Public-Private Infrastructure Advisory Facility Trust Fund II (TF No. 053980) shall finance activities of the Public-Private Infrastructure Advisory Facility (PPIAF). Commitment of funds under the Public-Private Infrastructure Advisory Facility Trust Fund II (TF No. 053980) will only be made if funds in the Public-Private Infrastructure Advisory Facility (PPIAF) Trust Fund (TF No. 023361) are inadequate to finance PPIAF project activities.

The Public-Private Infrastructure Advisory Facility (PPIAF) is a multi-donor technical assistance facility aimed at helping developing country governments improve the quality of their infrastructure through private sector involvement. PPIAF’s mission is to help eliminate poverty and achieve sustainable development in developing countries by facilitating private sector involvement in infrastructure. In particular, PPIAF’s objectives are to:

- Mobilize and leverage donor resources;
- Exploit the expertise and economies of scale and scope available from an integrated, multi-donor work program;
- Promote the exchange of lessons of experience between sectors, regions, and donors;
- Facilitate coordination between bilateral and multilateral programs addressing the same concerns.

PPIAF supports a program of country-specific and multi-country advisory and related activities through the following activities:

- Framing infrastructure development strategies to take full advantage of the potential for private sector involvement;
- Building consensus for appropriate policy, regulatory and institutional reforms;
- Designing and implementing specific policy, regulatory and institutional reforms;
- Supporting the design and implementation of pioneering projects and transactions;
- Building government capacity in the design and execution of private infrastructure arrangements and in the regulation of private service providers.
Additional information on the PPIAF can be found in the PPIAF Program Charter, dated May 2001, as amended from time to time, available at www.ppiaf.org.

II. Categories of Expenditure

For Bank-executed activities, the Contribution funds will be used to finance the following categories of expenditure: associated overheads, staff costs (salary + benefits + indirects), short term consultant fees, extended term consultants, temporary staff costs, contractual services, equipment costs (purchase + lease), media & workshops costs, and travel expenses.
ANNEX 2

Standard Provisions Applicable to the
Public-Private Infrastructure Advisory Facility (PPIAF)
Trust Fund II (TF No. 053980)

The following provisions (hereinafter referred to as the “Standard Provisions”) shall be applicable to and form an integral part of all agreements entered into between the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”) and donor countries and/or organizations (hereinafter referred to as the “Donors”) that provide grants (referred to as the “Contributions”) to be administered by the Bank for the Public-Private Infrastructure Advisory Facility (PPIAF) Trust Fund II (TF No. 053980) (the “Project”).

1. Administration of the Contributions

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 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 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.

2. Use of PPIAF Core and Non-Core Funds

The Bank may use amounts in the PPIAF Core Fund for any purpose that is authorized by the PPIAF Program Council that is permissible under the Program Charter, as it may be amended from time to time. The Bank may use amounts in a PPIAF Non-Core Fund for any purpose that is: (a) permissible under the Program Charter, as it may be amended from time to time; and (b) authorized by the PPIAF trust fund agreement establishing the Non-Core Fund.

3. Use of PPIAF Trust Fund for World Bank Group Staff

A maximum of thirty percent (30%) of the funds provided under the Agreement may be used for the costs associated with staff of the Bank, the International Finance Corporation, the Multilateral Investment Guarantee Agency, and the International Center for Settlement of Investment Disputes involved in identifying, supervising, and, in limited cases, delivering PPIAF assignments on behalf of the Program Management Unit.
4. **Commingling, Exchange and Investment of the Contributions**

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

4.2. The Contribution funds may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

4.3. The Bank shall invest and reinvest the Contribution funds 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 established under this Agreement to be used for the same purposes as the Contribution funds.

5. **Administrative Cost Recovery**

In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Agreement, the Bank may, following deposit of Contribution funds, deduct from such funds and retain for the Bank’s own account an amount equal to one percent (1%) of the Contributions.

6. **Grants to Recipients**

6.1. When so authorized by the Program Council in respect of the PPIAF Core Fund, or when so authorized by the relevant Donor or Donors in respect of PPIAF Non-Core Funds, the Bank may use the Contribution Funds to provide a grant to a member country of the IBRD or IDA or to another entity for the purposes specified in paragraph 2 above. In such cases, the Bank shall, as administrator on behalf of the Donors, enter into grant agreements (the “Grant Agreements”) with one or more entities (the “Recipients”) for the provision of Contribution funds for the purposes of this Agreement and on the terms and conditions set forth in the Grant Agreements. The Bank shall furnish a copy of the Grant Agreements to the Donors.

6.2. The Bank shall be solely responsible for the supervision of Project activities financed under the Grant Agreement.

6.3. If, in the Bank’s opinion, an amount of the Contribution funds allocated to any of the expenditure categories specified in Annex 1 to this Agreement will be insufficient to finance the expenditures for such category, the Bank may reallocate to such category an amount of the Contribution funds then allocated to another category which, in the Bank’s opinion, will not be necessary to meet other expenditures. The Bank will notify the Donors of such a reallocation.
7. **Employment of Consultants and Procurement of Goods**

The employment and supervision of consultants and the procurement of goods financed by the Contributions shall be the responsibility solely of the Bank and shall be carried out in accordance with its applicable policies and procedures. Where the Bank has entered into Grants Agreements, the Grant Agreements shall provide that the Contributions shall be used by the Recipients 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 the Grant Agreements.

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. IBRD shall make available to the Donor current financial information relating to receipts, disbursements and fund balance in United States Dollars via the World Bank’s Trust Funds Donor Center secure website (https://clientconnection.worldbank.org). Within six (6) months after all commitments and liabilities under this trust fund have been satisfied and the trust fund has been closed, the final financial information relating to receipts, disbursements and fund balance in United States Dollars shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

8.3. The Bank shall also provide the Donors with copies of all financial statements and auditors’ reports received by the Bank from the Recipients pursuant to the Grant Agreements.

8.4. 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 shall be borne by the Bank.

8.5. If a Donor wishes to request on an exceptional basis, a financial statement audit by the Bank’s external auditors of the trust fund established under this Agreement, 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 most 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. **Project Reporting**

Within ninety (90) days of each June 30 and December 31, for as long as any Contribution funds remain in the Trust Fund, the Program Management Unit will provide, for PPIAF activities funded from the Core Fund, a report to the Donors and, for PPIAF activities funded from a Non-Core Fund, a report to the relevant Donor, on the activities approved, the financial commitments made in respect of the activities and the implementation status of the activities.

10. **Disbursement Deadline; Cancellation; Refund**

10.1. It is expected that the Contribution funds will be fully disbursed by the Bank in accordance with the provisions of this Agreement by October 31, 2016. The Bank shall only disburse Contribution funds for the purposes of this Agreement after such date with the written approval of the Donors.

10.2. 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 Contribution funds 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 Agreement prior to the receipt of such notice, including the Grant Agreements.

10.3. Upon the final disbursement date specified in paragraph 10.1, the Bank shall return any remaining balance of the Contribution funds to the Donors on a pro rata basis. In the event of a cancellation of an individual Donor's pro rata share of uncommitted Contribution funds in accordance with paragraph 10.2, the Bank shall return such cancelled balance to the Donor.

11. **Disclosure**

The Bank may disclose this Agreement and information on this trust fund in accordance with the Bank's policy on disclosure of information.