Administration Agreement between the Ministry of Strategy and Finance of the Republic of Korea and the International Bank for Reconstruction and Development and the International Development Association concerning the Korea and WBI Global Program on Knowledge Sharing Single-Donor Trust Fund (TF No. 072056)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Ministry of Strategy and Finance of Korea (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of eighteen million United States Dollars (USD 18,000,000) (the “Contribution”) for the Korea and WBI Global Program on Knowledge Sharing Single-Donor Trust Fund, TF No. 072056 (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

2. The Contribution shall be used to finance the activities set forth in the “Korea and WBI Global Program on Knowledge Sharing Single-Donor Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and “Governance” attached hereto as Annex 3.

3. The Donor hereby authorizes the Bank to transfer the Contribution in accordance with the following schedule and in the currency specified in Section 1 above (“Contribution Currency”) from the Korea-World Bank Group Partnership Facility Pre-Paid Trust Fund (TF No. 072055) into the Trust Fund (TF No. 072056): (A) Promptly following countersignature, USD 4,000,000, (B) By June 30, 2014, USD 7,000,000 and (C) By June 30, 2015, USD 7,000,000. Any payment to be made under this Administration Agreement is subject to there being an annual approval by the National Assembly of Korea for the fiscal year in which the payment is to be made and availability of funds held in TF No. 072055.

4. Any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax 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 (the “Bank Contact”):

Robert Floyd
Director of Operations
World Bank Institute
World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: (202) 458-7445
Fax: (202) 522-1679
E-mail: Rfloyd@worldbank.org

For the Donor (the “Donor Contact”):

Jangro Lee
Director
International Financial Institutions Division
Ministry of Strategy and Finance
5. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor's applicable donor balance account with the Bank, unless otherwise agreed with the Bank.

6. All annexes hereto constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor.

7. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]  
Sanjay Pradhan  
Vice President  
World Bank Institute  
Date: June 7, 2013

MINISTRY OF STRATEGY AND FINANCE OF THE REPUBLIC OF KOREA

By: [Signature]  
Hohyun Jang  
Deputy Director General, International Finance Bureau  
Date: June 11, 2013
Korea and WBI Global Program on Knowledge Sharing Single-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. Objectives

The objective of the Trust Fund is to scale-up global knowledge sharing and e-learning platforms, focusing on the most urgent challenges to accelerating inclusive growth and sustainable development including topics such as fiscal, social and industrial policies.

2. Activities

The activities (which may be described as “components” of activities) to be financed by the Trust Fund are:

Bank-executed activities, for which the Bank has implementation responsibility:

2.1 Knowledge Sharing activities including

a) supporting the transformation of existing knowledge institutions and networks into knowledge hubs to accelerate practitioner learning on effective development experiences;
b) scaling the use of south-south knowledge sharing to help practitioners overcome development implementation bottlenecks; and
c) organizing global events on knowledge sharing among practitioners to i) share experiences in the development of knowledge hubs and ii) accelerate practitioner learning on topics such as fiscal, social and industrial policies to achieve inclusive growth and sustainable development.

2.2 E-learning activities including

a) scaling up the delivery of WBI’s existing e-learning products by drawing on Korea’s development experience where appropriate and tailoring them for region specific audiences;
b) developing new e-learning products in priority thematic areas; and
c) developing new global case studies on successful development experiences for publication.

3. Eligible Expenditures

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

a) associated overheads
b) consultant fees individuals and firms
c) contractual services
d) extended-term consultants
e) field assignments benefits
f) media, workshop, conference and meeting
g) staff costs with indirect
h) staff costs with no indirect
i) travel expenses
j) temporary support staff costs
ANNEX 2

Standard Provisions

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor, it being understood that any plural references in the annexes to Donors, Administration Agreements, Contributions and pro rata shares shall be read as singular references to the Donor, its Administration Agreement, its Contributions thereunder and the remaining uncommitted balance of the Trust Fund, respectively.

1. Administration of the Contributions

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration 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 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. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain, for its own account, as a deduction from each Installment, an amount equal to five percent (5%) per Installment as an administrative fee for the Trust Fund.

3.2 Each Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated on the basis of anticipated Contributions. If actual Contributions significantly differ from what was originally anticipated at the time of signature of the first Administration Agreement, or if other circumstances affecting Trust Fund fees or costs change, the Bank reserves the right to request a change to the terms of this Trust Fund Fees and Costs section, which would be effectuated by amendments made to the Administration Agreements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under new Administration Agreements.

4. **Accounting and Financial Reporting**

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

4.2 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 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 with respect to the Contributions shall be made available to the Donors via the World Bank's Trust Funds Donor Center secure website.

4.3 The Bank shall provide to the Donors via the World Bank's Trust Fund 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 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 (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.

4.4 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.

5. **Progress Reporting**

5.1 The Bank shall provide the Donors with annual reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.
5.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. 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.

6. **Disbursement; Cancellation; Refund**

6.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by August 31, 2017 (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.

6.2 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 relevant Donor or Donors in the Holding Currency in the manner specified by each such Donor in its respective Administration Agreement the pro rata share(s) of any such uncommitted balance of the Trust Fund, in accordance with any additional terms that may be agreed between the Bank and each such Donor.

7. **Disclosure; Dispute Resolution**

7.1 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.

7.2 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.
Governance

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. **Coordination Committee and Secretariat**

WBI will establish a Coordination Committee comprising three officials from the Donor and three officials from WBI management (including the Director of Operations) to ensure effective communication between WBI and the Donor regarding strategic programming and budgeting. WBI's Director of Operations will chair the Coordination Committee and the Korea and WBI Global Program on Knowledge Sharing Program Coordinator and his or her staff will serve as the Secretariat.

The Coordination Committee will have a face-to-face meeting annually, either in Washington DC or in Korea. During the annual meeting, (a) the Committee members discuss annual work plans (for the following year) submitted to them prior to the annual meeting for their input, agree on the specific program activities and funding allocation, and record in the official minutes, which are then deemed approved; and (b) WBI report on progress, disbursements, and the results of the activities implemented in the previous year.

WBI would also keep the Coordination Committee members apprised of key issues throughout the year, such significant changes in program activities as disbursement issues. As needed, the Coordination Committee can also meet by video or audio throughout the year.