CONFORMED COPY

May 24, 2011

Mr. Paul Wojciechowski
Assistant Director General
Multilateral Policy and Partnerships Branch
Australian Agency for International Development (AusAID)
GPO Box 887
Canberra ACT 2101
AUSTRALIA


Dear Mr. Wojciechowski:

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 Government of Australia, Government of Australia, acting through the Australian Agency for International Development (the “Donor”) shall make available as a grant the sum of one million Australian Dollars (AUD 1,000,000) (the “Contribution”) for the Multi-Donor Trust Fund for the International Comparison Programme – 2011 Round (the “Trust Fund”) in accordance with the terms of this Administration Agreement (the “Agreement”). Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.

2. 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 “Multi-Donor Trust Fund for the International Comparison Programme – 2011 Round” 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 Multi-Donor Trust Fund for the International Comparison Programme – 2011 Round” (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 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 TF071492 (Multi-Donor Trust Fund for the International Comparison Programme – 2011 Round), 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 fluctuations, 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:

Ms. Nada Hamadeh
Statistics Officer
Development Data Group
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.
Tel: (202) 473-3201
Fax: (202) 522-1498
E-mail: nhamadeh@worldbank.org
For the Donor:

Mr. Paul Wojciechowski
Assistant Director General
Multilateral Policy and Partnerships Branch
AusAID
GPO Box 887
Canberra ACT 2101
AUSTRALIA

Tel: +61 2 6206 4035
Fax: +61 2 6206 4695
E-mail: Paul. Wojciechowski@ausaid.gov.au

7. All annexes hereeto 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
INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ Shaida Badiee
Director
Development Data Group

AGREED:

GOVERNMENT OF AUSTRALIA
acting through the Australian Agency for International Development

By: /s/ Mr. Paul Wojciechowski Date: May 30, 2011
Assistant Director General
Multilateral Policy and Partnerships Branch
Australian Agency for International Development (AusAID)
Description of Activities and Expenditures under the Multi-Donor Trust Fund for the International Comparison Programme – 2011 Round

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. BACKGROUND

The International Comparison Program (ICP) is an international statistical program which has the objective of collecting and disseminating purchasing power parity (PPP) data for all countries of the world. These data are needed to measure and compare the performance of the different economies in the world and the socio-economic status of different groups of people. PPP data provide a means of comparing economic values between countries that allows for differences in purchasing power that are not captured in market exchange rates. PPP data are essential for assessing the real progress being made by countries and to monitor and compare actual poverty levels. The data are, for example, a crucial requirement for measuring progress towards the Millennium Development Goal (MDG) on poverty reduction.

Under a mandate from the United Nations Statistical Commission (UNSC), the Bank has been asked to host the global ICP secretariat - ICP Global Office - and to build partnership with other international and regional organizations as well as national statistical agencies to carry out the 2011 Round of the ICP. The ICP Global Office is responsible for the day-to-day activities of the ICP Global Partnership and would serve as an advisory body for the Trust Fund. The ICP Global Partnership was established in 2002 by the UNSC, the Bank, international and regional organizations and donors for purposes of coordinating and effectively conducting the ICP worldwide.

B. DESCRIPTION OF ACTIVITIES

Activities to be financed under the Trust Fund include:

(i) Financing partially the ICP Global Office, including staff, consultants and staff travel.

(ii) Organizing ICP governance meetings, as well as technical workshops for regional and national agencies which will be implementing ICP activities.
(iii) Providing technical assistance to regional and national agencies which will be implementing ICP activities.
(iv) Funding research studies to improve the ICP processes and PPP methodologies.
(v) Funding outreach activities including users’ conference, website, brochures, data access, and dissemination of the final results from the 2011 Round of the ICP.
(vi) Preparing capacity-building materials including development of e-learning modules and other training materials.
(vii) Improving existing software tools and developing additional modules and tools for data collection, validation, processing, and dissemination of the data and results from the 2011 Round of the ICP.
(viii) Providing grants to regional agencies to carry out regional activities including meetings/workshops, technical assistance to countries, methodological development, translation of methodological guides, data quality review, and dissemination of regional results.

C. CATEGORIES OF EXPENDITURE

For Bank-Executed activities the Contributions may be used to finance the following categories of expenditures: (a) consultants fees; (b) contractual services; (c) extended-term consultants; (d) staff costs; (e) media and workshops costs; (f) temporary support staff costs; (g) travel expenses; and (h) associated overheads.

For Recipient-Executed activities, the Contributions may be used to finance the following categories of expenditures: (a) goods; (b) consultants’ services; (c) training; (d) operating costs; and (e) administrative/management fees.

The foregoing categories of expenditures may include the financing of taxes.
ANNEX 2


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 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.

1.2. 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 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**

3.2. 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 up to a maximum of twenty-three thousand four-hundred and sixty-one United States dollars (US$23,461) will be charged to the Trust Fund on an actual basis. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration arrangement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

4. **Grants to Recipients**

4.1. The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into eligible recipients (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 Arrangements between the Bank and the Donors. Upon request by a Donor, the Bank shall furnish a copy of the Grant Agreements to the Donors.

4.2. The Bank shall 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 shall 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 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 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 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 shall be the responsibility of the Bank and shall be carried out in accordance with its applicable policies and procedures.

6. Accounting and Financial Reporting

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

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 shall 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 shall 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 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 requesting Donor.

6.5. The Bank shall 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 shall 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 shall 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 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.

8. **Disbursement; Cancellation; Refund**

8.1. It is expected that the Contributions will be fully disbursed by the Bank by June 30, 2016. The Bank shall 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 shall 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 Agreement and 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.