Ms. Alicia Herbert  
Head of Office  
DFID Mozambique  
Prédio JAT, 3º Andar  
Av. 24 Setembro 420  
Caixa Postal 93  
Maputo  
Mozambique

Trust Fund Administration Arrangement between United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development (DFID), the International Bank for Reconstruction and Development and the International Development Association concerning the Callable Funds for the Standby Recovery Financing Facility of the Global Facility for Disaster Reduction and Recovery (TF 070868)

Dear Ms. Herbert:

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") the intention of United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development (DFID) (the "Donor") to make available as a grant an amount of funds to be specified (the "Contribution") pursuant to subsequent arrangement, at the Donor’s discretion in response to one or more requests by the Bank (each a "Call"), in accordance with the form attached hereto as Annex 4 (the “Called Funds Confirmation”) for the Callable Funds for the Standby Recovery Financing Facility (TF 070868) (the “Callable Funds for SRFF”) of the Global Facility for Disaster Reduction and Recovery ("GFDRR"). Other donors are also expected to contribute to the Callable Funds for SRFF on the terms and conditions specified in the Annexes to this Administration Arrangement.

2. The Contribution will be used to finance the activities and the categories of expenditure set forth in the “Program Description of the Callable Fund SRFF” (the “Program Description”) attached hereto as Annex 1. The Program Description constitutes an integral part of this Administration Arrangement.

3. The Contribution will be administered by the Bank on behalf of the Donor in accordance with the provisions of this Administration Arrangement and the “Standard Provisions Applicable to the Callable Funds for SRFF” (the “Standard Provisions”) attached hereto as Annex 2 and the “Governance Terms for the Callable Funds for SRFF” (the “Governance Terms”) attached hereto as Annex 3. The Standard Provisions and Governance Terms constitute an integral part of this Administration Arrangement.
4. The offices responsible for coordination of all matters related to the implementation of this Administration Arrangement are:

For the Bank:  
Mr. Francis Ghesquiere  
GFDRR Secretariat  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.  
Tel: (202) 458-1964  
Fax: (202) 522-3227  
E-mail: fghesquiere@worldbank.org

For the Donor:  
Mr. GARETH WEIR  
DFID MOZAMBIQUE  
Prédio JAT, 3º Andar  
Av. 24 Setembro 420  
Caixa Postal 93  
Maputo  
Tel: +258 21 351 414  
E-mail: g-weir@dfid.gov.uk

5. This Arrangement may be amended only by written agreement between the Bank and the Donor; provided, however, that Annex I (the Program Description), Annex 2 (the Standard Provisions) and Annex 3 (the Governance Terms) to this Administration Arrangement may only be amended with the agreement of all Donors contributing to the Callable Funds for SRFF.

6. Please confirm your understanding with the foregoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your record and returning the other original to the Bank. Upon receipt by the Bank of the original Administration Arrangement countersigned by you, this Administration Arrangement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

Zoubida Allaoua  
Director  
Urban and Disaster Risk Management Department  
Sustainable Development Network

CONFIRMED AND ACCEPTED:

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THROUGH THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)

By: ___ Date: 24/02/14

Alicia Herbert  
Head of Office
ANNEX 1

Program Description of the Callable Funds for SRFF

1. Activities within the scope of the mission and rational as defined in the GFDRR Charter (as hereinafter defined) to be financed by the Callable Funds for SRFF:

1.1 Post-Disaster Recovery and Reconstruction Planning: including deployment of needs assessment missions primarily in the form of joint missions of United Nations ("UN") agencies, international financial institutions ("IFIs"), donors and affected government agencies:
   (a) Activities to support and develop post-disaster assessments of damage, loss and needs; and
   (b) Advisory and analytical work related to developing and implementing integrated recovery strategies.

1.2. Accelerated Recovery: Activities for accelerated recovery interventions in support of efficient transitions to medium and longer term recovery and development programs, including:
   (a) rebuilding and restoring physical assets;
   (b) restoring means of production and economic activities;
   (c) preserving and restoring essential services;
   (d) establishing and preserving human, institutional and social capital, including economic reintegration of vulnerable groups; and
   (e) assisting with capacity building.

2. Process for calling, receiving and disbursing funds of the Callable Funds for SRFF

2.1 Calls for funds for the Callable Funds for SRFF are made by the GFDRR Secretariat (as defined in the GFDRR Charter) with respect to specific natural disasters. One or more Calls may be made at different stages following such disaster. With respect to each affected country, the initial Call will be supported by a request from one or more of the following: (i) the local government, (ii) the UN Resident Coordinator, (iii) a mission of bilateral donors to that country, (iv) a World Bank department routed through the World Bank Country Director of that country, and (v) a member of the GFDRR Consultative Group (as hereinafter defined).

2.2 Following an initial Call for a natural disaster, any additional Calls will be made by the discretion of the GFDRR Secretariat based on initial post-disaster assessments and recommendations from national authorities for financing gaps in priority recovery needs.

2.3 Donors that are willing to provide funds will confirm their intent in response to a Call through signature of the Called Funds Confirmation provided by the Bank, as trustee of the Callable Funds for SRFF, for that purpose. Confirmed funds will be provided by the donor immediately following signature.

2.4 The GFDRR Secretariat will determine the allocation of any funds received for the SRFF Callable Fund. Requests for funding may be made to the GFDRR Secretariat by any entity, including local governments, UN agencies and IFIs. The GFDRR Secretariat may, in its discretion, base its decision to provide funding for a certain activity on the provision by the recipient or beneficiary entity of an Arrangement stating its willingness to commit to certain
future investments in disaster prevention and preparedness programs during the post-disaster recovery stage.

3. **Criteria for Resource Allocation from the SRFF Callable Fund**

3.1 In allocating funds, priority will be given to the following elements:

a) Inclusiveness of missions, such that joint missions of the UN, IFIs, donors and national authorities for post disaster assessments will be viewed more favorably and funded more readily than efforts with limited participation.

b) Track records in disaster work, such that prior investments in disaster prevention and preparedness programs will be viewed more favorably and will strengthen requests for funding of post-disaster recovery and mitigation programs. A self-assessment report outlining the disaster prevention and preparedness programs undertaken, will be required to be submitted to the GFDRR Secretariat every time a request is made for post-disaster recovery financing.

4. **Categories of Expenditures and Nature of Recipients**

4.1 The Callable Funds for SRFF may be used to finance the following categories of expenditures for Bank-executed activities:

a) staff fees and costs for: (i) temporary staff; (ii) short-term consultants and (iii) extended term consultants;
b) contractual services;
c) media, including video and electronic media;
d) workshop costs, including costs associated with presenters, participants, publicity and reporting;
e) travel expenses, including travel expenses for Bank staff, consultants short-term and extended term consultants; and
f) associated overhead, including translations, minor expendables, information technology and communication services; and
g) equipment costs (for start-up emergency operations).

4.2. The Callable Funds for SRFF may be used to finance goods, works, services and operating costs provided under recipient-executed activities. If a proposed recipient does not have sufficient capacity to meet the Bank’s fiduciary requirements or to implement the funds in an effective and efficient manner under the circumstances, the GFDRR Secretariat may ask one or more specialized UN agencies or IFIs to execute these activities on behalf of the intended recipient.
ANNEX 2

Standard Provisions Applicable to the Callable Funds for SRFF

The following provisions (hereinafter referred to as the “Standard Provisions”) will be applicable to and form an integral part of all Arrangements 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 funds pursuant to a Called Fund Confirmation in the form of Annex 4 to this Administration Arrangement (referred to as the “Contributions”) to be administered by the Bank as part of the Callable Funds for SRFF.

1. Administration of the Contributions

1.1 The Bank will be responsible only for performing those functions specifically set forth in this Administration 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 Administration Arrangement will be considered a waiver of any privileges or immunities of the IBRD and IDA under their respective Articles of Arrangement or any applicable law, all of which are expressly reserved.

2. Commingling, Exchange and Investment of the Contributions

2.1 The Contribution funds will be accounted for as a single trust fund and will 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.

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

2.3 The Bank will 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 will credit all income from such investment to the trust fund established under this Administration Arrangement to be used for the same purposes as the Contribution funds.

3. 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 Administration Arrangement, the Bank may, following deposit of Contribution funds, deduct from such funds and retain for the Bank’s own account an amount equal to five percent (5.0%) of the Contributions.

3.2 In addition to the aforementioned 5% administration fee, the Bank may, following deposit of Contribution funds, transfer actual costs up to a maximum of ten percent (10%) of the Contribution funds to support the GFDRR Secretariat’s program management and administration, as described in the GFDRR Charter (as hereinafter defined).
4. **Grants to Recipients**

4.1. The Bank will, 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 Administration Arrangement and on the terms and conditions set forth in the respective Grant Agreements. The Bank will furnish a copy of each Grant Agreement to the Donors.

4.2. The Bank will be solely responsible for the supervision of activities financed under the Grant Agreements.

5. **Employment of Consultants and Procurement of Goods**

5.1. For the Bank-executed activities financed under the Callable Funds for SRFF, the employment and supervision of consultants and the procurement of goods financed by the Contributions will be the responsibility solely of the Bank and will be carried out in accordance with its applicable policies and procedures.

5.2. For the Recipient-executed activities financed under the Callable Funds for SRFF, the Grant Agreements will provide that the Contributions will 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 respective Grant Agreement.

5.3. The Donors will not be responsible for the activities of any person or third party engaged by the Bank as a result of this Administration Arrangement, nor will the Donors be liable for any costs incurred by the Bank in terminating the engagement of any such person.

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 there from.

6.2. Within ninety (90) days of each March 31, June 30, September 30 and December 31, the Bank will furnish to the Donors an unaudited cash-based statement of receipts, disbursements and fund balance in Euros with respect to the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.1 after all commitments and liabilities under this trust fund have been satisfied and the trust fund has been closed, the Bank will furnish to the Donors a final unaudited cash-based statement of receipts, disbursements and fund balance in Euros with respect to the Contribution funds.

6.3. The Bank will 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.

6.4. The Bank will provide to the Donors, within six (6) months following the end of each Bank fiscal year, 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 trust funds as a whole. The cost of such attestations will be borne by the Bank.
6.5. 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 Administration Arrangement, the Donor and the Bank will first consult as to whether such an external audit is necessary. The Bank and the Donor will decide on the most 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 Donor.

7. **Coordination and Reporting**

7.1. The Bank will provide the Donors with an annual report on the 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 Contributions.

7.2. The Bank will promptly inform the Donors of any significant modification to the terms of the Grant Agreements and of any contractual remedy that is exercised by the Bank under the 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.

8. **Disbursement Deadline; Cancellation; Refund**

8.1. It is expected that the Contribution funds will be fully disbursed by the Bank in accordance with the provisions of this Administration Arrangement by October 31, 2015. The Bank will only disburse Contribution funds for the purposes of this Administration 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 Contribution funds that is not committed pursuant to any Arrangements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Arrangement prior to the receipt of such notice, including the Grant Agreements.

8.3. Upon the final disbursement date specified in paragraph 8.1, the Bank will 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 8.2, the Bank will return such cancelled balance to the Donor.

9. **Use of Funds**

9.1. Recognizing the obligations of the Bank member countries under the various United Nations Security Council Resolution to take measures to prevent financing of terrorists, the Bank will use reasonable efforts, consistent with the Bank’s Articles of Arrangement and policies, including those pertaining to combating financing of terrorists, to ensure that the funds provided under any Administration Arrangement are used for their intended purposes and are not diverted to terrorists and their agents. The Bank will include a provision in each Grant Agreement that the Recipient will: (a) not use the proceeds of the grant for the purposes of any payment to persons or entities, or for the import of goods, if such payment or import, to the Recipient’s knowledge or belief, is prohibited by decisions of the United Nations Security Council take under Chapter VII of the Charter of the United Nations; and if applicable, (b) include a corresponding provision in any sub-grant agreements that the Recipient enters into with entities to which the Recipient makes the grant funding available.
10. Disclosure

10.1 The Bank may disclose this Administration Arrangement and information on the Callable Funds for SRFF in accordance with the Bank's policy on disclosure of information.
ANNEX 3

Governance Terms for the Callable Funds for SRFF

1. The governance terms applicable to the Callable Funds for SRFF are those set forth in the GFDRR Charter, as such charter may be amended from time to time in accordance with its terms (the “GFDRR Charter”), which is incorporated herein by reference. As specified in the GFDRR Charter, any amendments to the GFDRR Charter relevant to this Administration Arrangement, including its annexes, will become applicable to this Administration Arrangement as such amendments take effect without further need to amend this Administration Arrangement.

2. In the event of a conflict between this Annex 3, or any other part of this Administration Arrangement, and the GFDRR Charter, the terms of the GFDRR Charter will prevail, provided, however, that this result does not require the Bank to violate its policies, rules, or contractual commitments or otherwise cause it to compromise its fiduciary position under the Callable Funds for SRFF.
Global Facility for Disaster Reduction and Recovery
Called Funds Confirmation
(TF 070868)

Dear Ms. Herbert:

1. We refer to the Administration Arrangement between the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development (DFID) (the “Donor”) and the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”), regarding the Standby Recovery Financing Facility for Callable Funds (TF 070868) (the “Callable Funds for SRFF”) of the Global Facility for Disaster Reduction and Recovery (“GFDRR”) effective as of ____________ (the “Administration Arrangement”).

2. We further refer to [___________] [name and description of disaster that is triggering the Call] in [insert country] that [occurred on [insert date]] [is ongoing] (the “Disaster”).

3. Pursuant to paragraph 2 of Annex I to the Administration Arrangement, the GFDRR Secretariat is issuing a Call to you for funds in the amount of ______________ (the “Contribution”) to be used for the Disaster Response in accordance with the Administration Arrangement.

4. The Donor will deposit the Contribution into such Bank account as may be notified by the World Bank [promptly following countersignature of this Confirmation by the Donor.] [in accordance with the following schedule]:

   (a) Upon countersignature of this Confirmation by the Donor, [insert currency and amount of contribution in words (numbers)];
   (b) By [date], upon submission of a payment request by the Bank [insert currency and amount of contribution in words (numbers)];
   (c) By [date], upon submission of a payment request by the Bank [insert currency and amount of contribution in words (numbers)].

5. When making such deposit, the Donor will 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 TF 070868 (GFDRR - SRFF Callable Funds), and the date of the deposit. In addition, the Donor will 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.

6. Following receipt of the Contribution funds, the Bank will convert such funds into Euros.

7. It is the Bank’s policy to make publicly available the Administration Arrangement and any information related thereto, including this Confirmation. By confirming its agreement below, the Donor consents to disclosure of this Confirmation.

8. This Confirmation constitutes a funding commitment under the Administration Arrangement. Please confirm your agreement to the foregoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your record and returning the other original to the Bank. Upon receipt by the Bank of the original Confirmation countersigned by you, the Contribution will be considered due as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

________________________
Zoubida Allaoua
Director
Urban and Disaster Risk Management Department
Sustainable Development Network

CONFIRMED AND ACCEPTED:

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,
THROUGH THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)

By: ______________________  Date: ______________________

Alicia Herbert
Head of Office