September 26, 2012

Michelle Lowe
Chief of Operations
Australian Agency for International Development (AusAID)
Port Moresby
Locked Bag 129
Waigani NCD
Papua New Guinea


Dear Ms. Lowe,

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 "World Bank") that the Government of Australia, represented by the Australian Agency for International Development ("AusAID") (the "Donor"), shall make available as a grant one million eight hundred thousand Australian Dollars (AUD 1,800,000). In addition, the Donor, by a letter dated February 20, 2012, has authorized the World Bank to transfer eight hundred eighty thousand and forty-five United States Dollars (US$880,045) from its Donor Balance Account (TF029047) into the Papua New Guinea IBBS Multi-Donor Trust Fund (TF071883) (together referred to as, the "Contribution"). The World Bank will administer the Contribution for the IBBS Multi-Donor Trust Fund (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.
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 Papua New Guinea IBBS Multi-Donor Trust Fund” attached hereto as Annex 1, and shall be administered by the World Bank on behalf of the Donor in accordance with the terms of this Agreement including the “Standard Provisions Applicable to the Papua New Guinea IBBS Multi-Donor Trust Fund (the “Standard Provisions”) attached hereto as Annex 2.

3. (a) The Donor authorizes the World Bank to transfer the portion of the Contribution in the amount of eight hundred eighty thousand and forty-five United States Dollars (US$880,045) from the Donor Balance Account (TF029047) to the Papua New Guinea IBBS Multi-Donor Trust Fund (TFO71883) account, promptly following countersignature of this Agreement by the Donor.

(b) The Donor shall deposit the other portion of the Contribution in the amount of one million eight hundred thousand Australian Dollars (AUD1,800,000) into such bank account designated by the World Bank in installments in accordance with the following schedule:

(i) promptly following countersignature of this Agreement by the Donor and submission of a payment request by the World Bank, nine hundred thousand Australian Dollars (AUD900,000); and

(ii) on or before February 15, 2013, nine hundred thousand Australian Dollars (AUD900,000) after submission of a payment request by the World 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 TFO71883 (the IBBS 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 World Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

5. The World Bank shall convert the portion of the Contribution funds in the amount of one million eight hundred thousand Australian Dollars (AUD1,800,000) that will be paid by the Donor into the holding currency of the Trust Fund, namely United States Dollars, promptly upon receipt of the said portion of the Contribution funds and the Deposit Instruction containing the information specified in paragraph 4 at the exchange rate obtained by the World 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 World 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 World Bank:

Aparnaa Somanathan  
Senior Health Economist  
East Asia and the Pacific Unit, Human Development Sector  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Tel: 202-458-4963  
Fax: 202-522-3394  
E-mail: asomanathan@worldbank.org

For the Donor:

Ms Michelle Lowe  
Chief of Operations  
Australian Agency for International Development (AusAID)  
Port Moresby  
Locked Bag 129  
Waigani NCD  
Papua New Guinea

Tel: +675 325 9333 ext 266  
Fax: +675 325 5535  
E-mail: michelle.lowe@ausaid.gov.au

7. All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the World 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 World 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

Ulrich Zachau
Acting Country Director
Papua New Guinea, Timor-Leste
and Pacific Islands Operations
East Asia and Pacific Region

AGREED:

GOVERNMENT OF AUSTRALIA, REPRESENTED BY
THE AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT
(“AUSAID”)

By: [Signature]
Date: 10/10/12
Name: [Name]
Title: Chief of Operations
ANNEX 1

Description of Activities and Expenditures under the Papua New Guinea Integrated Bio-Behavioral Survey ("IBBS") Multi-Donor Trust Fund

This Annex shall be applicable to and form an integral part of all agreements entered into between the World Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the World Bank for the Trust Fund.

A. OBJECTIVES OF THE TRUST FUND; DESCRIPTION OF ACTIVITIES; OUTCOME INDICATORS

1. The purpose of the Trust Fund is to finance the IBBS in Papua New Guinea, which is the first nationally representative HIV/AIDS bio-behavioral survey across Papua New Guinea of males and females aged 15-59 years.

2. The objective of the IBBS is to significantly improve the targeting and effectiveness of the HIV/AIDS response by the Government of Papua New Guinea and developing partners. The IBBS is intended to provide accurate information regarding the prevalence of HIV/AIDS in Papua New Guinea and its biological and behavioral determinants thereby accurately informing policy and guiding the design of HIV interventions and programs and ensuring that resources earmarked for HIV/AIDS are used more effectively.

3. The Contributions shall be used to finance: (a) the IBBS design activities, including: (i) preparation of survey manuals; (ii) final questionnaire; (iii) field test reports; (iv) final counseling guidelines; (v) final list of teams; (vi) data collection work plan; and (vii) final sampling methodology; and (b) the implementation of the IBBS, including: (a) completion of reports from the first, second, third and final month of data collection; (b) the preliminary results; and (c) the final report.

4. The outcome of the Trust Fund will be monitored and evaluated on the basis of the indicators set out below:

   (a) Completion of a population-based estimate of HIV prevalence in Papua New Guinea and each of its four regions;

   (b) Improved understanding of the geographic, age, gender and economic status, and distribution of HIV infection in Papua New Guinea, and improved understanding of those populations who are most at risk of infection;

   (c) Enhanced understanding of individual behaviors as they relate to HIV prevalence in order to gain greater insight into the major HIV risk factors and transmission dynamics within Papua New Guinea; and
(d) Gathering of bio-behavioral data that will be used by the Government of Papua New Guinea to inform the design of the national HIV intervention program in Papua New Guinea over the next decade.

B. CATEGORIES OF EXPENDITURE

The Government of Papua New Guinea has requested the World Bank to execute the activities on their behalf in accordance with the World Bank's applicable policies and procedures. Accordingly, the World Bank may use the Contributions to finance: (i) contractual services, (ii) consultant fees individuals and firms, and (iii) extended term consultants – no indireccts.

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 World Bank and the Donors that provide Contributions to be administered by the World Bank for the Trust Fund.

1. Administration of the Contributions

1.1. The World 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 Contribution shall be administered in accordance with the World 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 World Bank resources to finance terrorist activity, in line with the World 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 World 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 World Bank.

2. Governance Structure

2.1. The Government of Papua New Guinea shall maintain a management group ("IBBS Management Group"), established to provide overall oversight and guidance on the IBBS. The IBBS Management Group shall be jointly chaired by the National Department of Health and National AIDS Council of the Government of Papua New Guinea, and shall include representatives of the Government of Papua New Guinea, the World Bank and other international development partners.

3. Commingling, Exchange and Investment of the Contributions

3.1. The Contributions shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the World Bank. The Contributions may be commingled with other trust fund assets maintained by the World Bank.
3.2. The Contributions may be freely exchanged by the World Bank into other currencies as may facilitate their disbursement.

3.3. The World Bank shall invest and reinvest the Contributions pending their disbursement in accordance with the World Bank’s policies and procedures for the investment of trust funds administered by the World Bank. The World Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

4. **Administrative Cost Recovery**

4.1. In order to assist in the defrayment of the costs associated with the establishment of the Trust Fund, the World Bank may, following deposit of the first Contribution from any Donor to the Trust Fund, deduct and retain for its own account from that Contribution an amount equal to and not greater than thirty five thousand United States Dollars (US$35,000).

4.2. In order to assist in the defrayment of the costs of administration and other expenses incurred by the World Bank under this Agreement, the World Bank may deduct and retain for its own account an amount equal to five percent (5%) of each Contribution. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration agreement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

5. **Grant to Recipient**

5.1. The World Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into a grant agreement (the “Grant Agreement”) with Papua New Guinea (the “Recipient”) consistent with the purposes of this Agreement and on the terms and conditions set forth in the Grant Agreement. Grant Agreement may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the World Bank and the Donors. Upon request by a Donor, the World Bank shall furnish a copy of the Grant Agreement to the Donors.

5.2. The World Bank shall be responsible for the supervision of the activities financed under the Grant Agreement. Subject to the consent of the Recipient, representatives of the Donors may be invited by the World Bank to participate in World Bank supervision missions related to the Trust Fund.

5.3. The World Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreement and of any contractual remedies that are exercised by the World Bank under any Grant Agreement. To the extent practicable, the World Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.
6. **Procurement**

6.1. The employment and supervision of any consultants and the procurement of any goods financed by the Contributions will be the responsibility of the World Bank and will be carried out in accordance with its applicable policies and procedures.

7. **Accounting and Financial Reporting**

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

7.2. The World Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in United States Dollars 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 United States Dollars 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.

7.3. The World 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 World 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 World Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the World Bank.

7.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the World Bank’s external auditors of the Trust Fund, the Donor and the World Bank shall first consult as to whether such an external audit is necessary. The World 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 World Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the World Bank with respect to such audit, shall be paid by the requesting Donor.

7.5. The World Bank shall provide the Donors with copies of all financial statements and auditors’ reports received by the World Bank from the Recipient pursuant to the Grant Agreement.
8. **Progress Reporting**

8.1. The World 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 9.1, the World Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

8.2. Any Donor may review or evaluate activities financed by the Trust Fund. The Donor and the World Bank shall agree on the scope and conduct of such review or evaluation, and the World 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.

9. **Disbursement; Cancellation; Refund**

9.1. It is expected that the Contributions will be fully disbursed by the World Bank by November 30, 2014. The World Bank shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.

9.2. Any Donor or the World 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 World 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 Agreement.

9.3. Following the final disbursement date specified in paragraph 9.1, the World Bank shall return any remaining balance of the Contributions to the relevant Donor Balance Account on a pro rata basis based on the Donors’ paid Contributions. In the event of a cancellation the World Bank shall promptly return to the relevant Donor Balance Account the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 9.2.

10. **Disclosure**

10.1. The World 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, Donors consent to disclosure of this Agreement and related information on this Trust Fund.