

May 1, 2012

James Gilling
First Assistant Director General
Sectoral Policy Division
Australian Agency for International Development
PO Box 887 Canberra ACT 2601, Australia

Trust Fund Administration Agreement between the Commonwealth of Australia acting through the Australian Agency for International Development and the International Bank for Reconstruction and Development and the International Development Association concerning the Multi-Donor Trust Fund for the Governance Partnership Facility (TF No. 071118)

Dear Mr. Gilling:

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 Commonwealth of Australia acting through the Australian Agency for International Development (AusAID) (the "Donor") shall make available as a grant the sum of ten million Australian dollars (AUD 10,000,000.00) (the "Contribution") for the Governance Partnership Facility (GPF) 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 Multi-Donor Trust Fund for the Governance Partnership Facility" attached hereto as Annex 1.
3. The Contribution 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 Governance Partnership Facility" (the "Standard Provisions") attached hereto as Annex 2 and the Governance and Management Arrangements of the Governance Partnership Facility (the "Governance and Management Arrangements") attached hereto as Annex 3.
4. The Donor shall deposit the Contribution into such bank account designated by the Bank in installments in accordance with the following schedule:

- (a) promptly following countersignature of this Agreement by the Donor and submission of a payment request by the Bank, eight million Australian Dollars (AUD8,000,000); and
- (b) on or before April 30, 2013, two million Australian Dollars (AUD2,000,000) and submission of a payment request by the Bank.

5. 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 TF No. 071118 (the Governance Partnership Facility 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 Bank's Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

6. 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 5 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 fluctuation, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

7. Except as provided for in paragraph 5 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. James Brumby
Sector Manager
PRMPS
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: 1-202-473-7806
Fax: 1-202-522-7132
E-mail: jbrumby@worldbank.org

and

Mr. Piet Hein Van Heesewijk
Senior Program Officer
PRMPS
The World Bank
1818 H Street, NW
Washington, DC 20433
Tel: 1-202-458-9109
Fax: 1-202-522-7132

For the Donor:

Mr. Layton Pike
Assistant Director General
Governance & Social Development Branch
AusAID
PO Box 887 Canberra ACT 2601
Australia
Tel: 612-6100-5756
Fax: 612-6206-4589
E-mail: layton.pike@ausaid.gov.au

and

Mr. Marcus Khan
Assistant Director
Politics, State & Society
AusAID
PO Box 887 Canberra ACT 2601
Australia
Tel: 612-6178-5721
Fax: 612-6206-6666
E-mail: marcus.khan@ausaid.gov.au

8. 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.

9. 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**



Otaviano Canuto
Vice President and Head of Network
Poverty Reduction and Economic Management (PREM)

AGREED:

**COMMONWEALTH OF AUSTRALIA ACTING THROUGH THE
AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT**

By: 

Name: JAMES GILLINS
Title: PARS PSD

Date: 14/5/12

ANNEX 1

**Description of Activities and Expenditures under the Multi-Donor Trust Fund for
the Governance Partnership Facility (GPF)
(TF071118)**

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.

D) Objectives of the GPF

The GPF aims to support and accelerate implementation of the World Bank’s Governance and Anti Corruption (GAC) Strategy by addressing the financial constraints on the rapid expansion of governance programs within and across countries. The GPF is designed to help the Bank deliver on its commitment to scale up engagement in governance and anti-corruption work in developing partner countries in conjunction with comparable efforts by participating donors contributing to the GPF (Development Partners). It aims to establish a global strategic partnership on governance among like-minded multilateral and bilateral Development Partners. The Bank requires more staff with governance expertise, especially in country offices, more money for their operating costs and continuous improvements of governance toolkits for both CGAC and sector programs. Additional grant funding for “new frontiers” programs will bring improvements in aid effectiveness and address the reluctance of some countries to borrow for governance programs¹. In light of this, the GPF has the following objectives:

- To create strong incentives in the Bank to support the development and implementation of high quality governance and anti-corruption strategies in selected countries, complementary to existing efforts and sometimes jointly with donors contributing to the Development Partners, that address the principal constraints to poverty reduction and the MDGs and that broaden and deepen governance approaches and engagement with key stakeholders.
- To help stretch the frontiers of governance work of the Bank within the context of its GAC Strategy and support cutting edge activities that have significant demonstration effects.

¹ The frontiers of governance includes the following six programs: (i) Political Economy Analysis; (ii) Leadership, coalition building and multi stakeholder approaches; (iii) strengthening institutions of accountability, with a special emphasis on parliament, the judiciary, ombudsman, anti-corruption commissions, and their roles in enhancing accountability for development effectiveness; (iv) sectoral governance reforms; (v) generating public goods at country level (diagnostics, surveys, score cards on service delivery) and (vi) implementation at country level of innovative regional and global governance programs.

- To stimulate innovation and strategic shared learning, better knowledge management and monitoring of results in order to generate public goods in the area of governance and anti corruption.

II Description of Activities to be financed under the Trust Fund:

A) Four windows of activities:

Four windows will address the objectives of the GPF. They focus on (i) the country level (CGACs), (ii) frontier governance work applied in sectors, (iii) global/regional knowledge and learning programs, and (iv) innovative approaches to public sector governance and public finance. In these four areas, GPF funded activities will be primarily Bank executed through Windows One, Two, Three and Four. In addition, the GPF allows for grants to other entities, such as non-governmental organizations, think tanks, and academic institutions for Recipient-executed activities, mainly to support demand for good governance. The GPF will not be open to independent requests for funding from civil society or think tanks.

For Windows 1, 2, 3 and 4, the Secretariat may consider providing small seed funding for Bank-execution full proposal preparation. Seed funding will be for less than twenty five thousand United States dollars (US\$25,000). Seed fund allocations will be based on an initial submission of proposals by a Bank team, with a summary of the activities and anticipated outputs for delivery of the full proposal.

A.1. **Window One** will support the World Bank's country level CGAC type governance programs that rigorously and systematically address the governance impediments to development. The GPF will identify the most promising and committed plans for in-country governance work. Successful proposals will be matched by an equal value of counterpart funding from the Bank associated with governance activities. This counterpart funding will be aggregated across the country programs that receive Window One support, over the life of the GPF. The GPF Secretariat will report to the GPC (as defined in Annex 3) on the amount of Bank funding available for governance in countries receiving funding from GPF through Window One.

The initiative for the preparation of a proposal will be taken by the country team. The proposal will be sponsored and cleared by the World Bank's Country Director, and prepared by a small team of persons chosen by the country team.

A.2. **Window Two** will fund activities which are seen as stretching the frontiers of the World Bank's governance work, in particular in those countries that are not part of CGAC type governance programs receiving GPF funding under Window One. The frontier governance activities include political economy analysis, strengthening the demand side of governance at the national and sector levels, multi-stakeholder approaches and support to accountability institutions and implementing global

governance initiatives at country level and generating public goods at country level². Window Two will fund the building blocks for later CGAC strategies in countries where CGAC type governance programs have not yet been developed or partner governments may be reluctant to proceed to fully fledged CGAC type governance programs. The activities funded under Window Two could be used by Bank country teams as potential entry points for greater country engagement under the GAC Strategy. Even where there is no intention of developing a GAC business plan, activities will be chosen when they have the potential for developing approaches or examples of progress that have strong demonstration effects and provide compelling evidence to reformers in other countries of the potential benefits flowing from such work. Window Two will also fund non-lending activities such as Bank Analytical and Advisory Activities (AAA) including technical assistance to countries provided by the Bank as part of these advisory activities, and project preparation work.

In addition to the Window 1 counterpart funding described in paragraph A.1 above, the Bank's matching financial contributions will also comprise Bank financed activities linked to governance and other incremental funds earmarked by the Bank for governance work. The Bank, through the GPF Secretariat, will monitor and report to the GPC on the sum total of its financial contributions for the duration of the Trust Fund. Over the lifetime of the GPF, the Bank's incremental funding for governance work will match the financial contributions of the GPF's Development Partners.

Window 2 proposals can be submitted by all Bank staff, with (where relevant) a letter of support from the Country Management Unit, and with stakeholder consultations as appropriate. Early in the process of formulation of the proposal, the sponsor of the application will submit a concept note not to exceed two pages to the Secretariat to obtain confirmation that the proposal in principle fits with the mandate of the GPF.

A.3. **Window Three** will support GAC related research and knowledge management, learning and tool kits, and M&E results measurement on GAC activities. This window is intended to stimulate shared learning and promote innovation and best practice by enhancing access to knowledge networks for developing country partners, Development Partners participating in the GPF and Bank Staff and funding policy-relevant research on governance. The work program under Window Three would be based on an initial strategic learning plan prepared by the GAC Secretariat, incorporating demand-based requests from Bank regions and networks.

² The Bank's participation in the GPF, in particular with respect to frontier of governance activities and grants for recipient execution, will be subject to a Bank staff guidance note on multi-stakeholder engagement designed to ensure consistency with the Bank's mandate. The Bank is prohibited from interfering in the political affairs of member states, and this requires the Bank, among other things, to assess the risks of such interference when engaging with civil society, the media, parliamentarians and other stakeholders outside executive government. As outlined in the Bank's GAC Strategy, the Bank undertakes multi stakeholder engagement in consultation with government and seeks government approval when required by its operational policies and procedures and works within the country's legal and constitutional framework.

A.4. **Window Four** will support innovative approaches to strengthening country systems through public sector management. Window 4 aims to strengthen the openness and accountability of institutions in the executive branch of government. Its approach will be to develop and test innovative reform programs that enhance accountability, transparency and responsiveness of public sector institutions responsible for public financial management, civil service reform, service delivery and other core functions of the state. Rigorous methodologies will be applied to test different approaches and develop a modified framework for public sector management activities, integrating governance aspects and products.

Activities to be funded in Window 4 will initially be limited to support specific public financial management activities, divided into three sub-windows. Sub-Window 4.1 is focused on programmatic public financial management research and data generation, and will deliver a program of work to advance global understanding, knowledge and learning on public financial management reform and public financial management applications through data, research and the development of tools for practitioners. Sub-Window 4.2 will support demand-based public financial management activities. Sub-Window 4.3 will support peer to peer learning among development practitioners in public financial management.

As additional resources become available, the activities in Window 4 can be expanded to include broader public sector management. Specifically, the window will provide seed financing for innovative and sustainable monitoring frameworks that track the degree to which public sector management arrangements have changed in practice. Second, the window will finance work that leads to standardization of indicators of “in practice” changes within and between development agencies, in order to allow systematic learning from external advice and project interventions. Finally, it will finance innovative analytic work that provides compelling insights into the significance of changed public sector management arrangements for social and development outcomes.

Activities under all Windows would be subject to Bank’s guidelines on multi-stakeholder engagement described in footnote 2, as well as the Bank’s relevant strategies on gender equality. In addition, Bank country teams will contact in-country donors who have contributed to this Trust Fund, when possible, for initial assessments of the proposal.

The approval process for GPF proposals for Windows 1, 2, 3, and 4 will be done in accordance with the access criteria and the selection procedures described in the Program Document dated October 3, 2008 endorsed by the Donors in the Governance Partnership Council (GPC) meeting of October 11, 2008, as amended from time to time.

B) Periodic Reviews

Additionally, the Contribution funds will finance the costs of Periodic Reviews of the GPF. Such Periodic Reviews shall take place at least once a year, based on the approved GPF Work Plan. The main objectives of the Periodic Reviews are: (i) to assess the results of the ongoing GPF funded activities with regard to the development objectives of the GPF; (ii) to report against the results framework set forth in the Program Document approved by the GPC (at impact, outcome and output levels); and (iii) to assess the processes used for the selection and management of the activities. The Periodic Reviews will be undertaken by independent experts based on Terms of Reference agreed between the Bank and the Donor. The results of the Periodic Reviews will be presented to Donor through submission to the GPC.

C) End Review

An End Review will be undertaken as indicated in Annex 2, section 7.1.

III) Categories of expenditure

For **Bank-Executed** activities, the Contribution funds may be used to finance the following categories of expenditures: associated overheads, short term consultant fees, contractual services, extended term consultants, temporary staff costs, staff costs (salary+benefits+indirects), staff costs without indirects, travel expenses (including Bank staff travel), and media & workshop costs.

For **Recipient-Executed** activities, the Contribution funds may be used to finance the following categories of expenditures: goods (except equipment and vehicles), services, operating costs, and training and workshops.

ANNEX 2

**Standard Provisions Applicable to the Multi-Donor Trust Fund for the Governance
Partnership Facility (GPF)
TF071118**

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 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 the Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. The Contribution 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 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.

2.2. The Contribution funds 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 established under this Agreement to be used for the same purposes as the Contributions.

3. Administrative 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 Agreement, the Bank may, following deposit of the Contribution by the Donor, deduct from the total Contribution of the Donor and retain for the Bank's own account an amount equal to one percent (1 %) of the Contribution. Additionally, the Bank shall deduct from the Contribution funds an amount representing the actual costs of administering the Trust Fund and the cost of administering the Project activities, and Secretariat costs, such deduction not to exceed five million nineteen thousand seven hundred and ninety-one United States Dollars (US\$5,019,791).

4. Grants to Recipients

4.1. The Bank shall, as administrator on behalf of the Donors, enter into grant agreements (the "Grant Agreements") with eligible recipients (the "Recipients") consistent with the purposes of this Agreement 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 Agreements 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 solely responsible for the supervision of Project activities financed under the Grant Agreements. Subject to the consent of the relevant Recipients, representatives of 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 will 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 present an annual work plan with proposed activities to the Donors at the GPC. The Bank shall also provide the Donors with an annual report on the progress of activities financed by the Contributions, based on the results framework of the GPF as set forth in the Program Document approved by the GPC, as amended from time to time. Within six (6) months of the final disbursement date specified in paragraph 8.2, 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 understood that the Contribution funds from all Donors contributing to this Trust Fund may be used to finance expenditures incurred prior to the date of signature of this Administration Agreement, but on or after August 15, 2008, in an aggregate amount not to exceed US\$500,000 for eligible activities and Categories of Expenditure as described in Annex 1 of this Administration Agreement.

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

8.3 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 Agreement prior to the receipt of such notice, including the Grant Agreements.

8.4. Following the final disbursement date specified in paragraph 8.2, 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 ra ta share of uncommitted Contributions in accordance with paragraph 8.3.

9. Disclosure

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

Governance and Management Arrangements of the Governance Partnership Facility (GPF)

Given the GPF's role of providing support to the Bank's GAC implementation, the design of the partnership will be closely aligned with the Bank's management and implementation functions around the Bank's GAC Strategy. Therefore it is important to have clarity on roles and responsibilities for GPF to avoid duplication and enhance coordination and efficiency. The GPF Secretariat is kept separate from the GAC Secretariat to ensure due attention to specific core functions of the GPF, including the selection of activities to be supported by GPF, and GPF specific reporting to the donors.

The Bank's administrator function will also be kept separate from the GPF Secretariat. Overall leadership for GAC Implementation within the Bank is provided by the Governance Council, a unique cross-Bank body chaired by the three Managing Directors which meets on a monthly basis. The Governance Council also has ultimate responsibility for the Bank's GAC Strategy that provides the framework within which Development Partners provide support through the GPF. The priorities for the GPF are derived from the GAC Strategy and its evolving implementation, as overseen by the Governance Council. Activities are delegated from the Governance Council to a GAC Team in the Bank's organizational structure as part of Poverty Reduction and Economic Management Public Sector Department (PRMPS). To ensure cohesiveness with other Bank GAC activities and provide managerial oversight of all GAC activities, the GPF Secretariat will also be housed in this department.

The GPF will be organized around three sets of functions and structures (i) Strategic guidance through a **Governance Partnership Council (GPC)**; (ii) selection of supported activities through a **Standing Review Committee (SRC)**; (iii) Executive functions by a **Secretariat**.

Governance Partnership Council (GPC)

The roles and responsibilities of the Governance Partnership Council (GPC) are:

- To provide strategic guidance to the GPF under the overarching framework of the Bank's GAC strategy.
- To provide a framework for a regular structured dialogue among the Partners that ensures an upfront understanding on the key operational issues that will determine the effective functioning of the partnership.
- To ensure the adequacy of GPF funding in relation to the demand for funds from the Bank's Regions.
- To provide preliminary annual allocations of the Multi-Donor Trust Fund for the Governance Partnership Facility (MDTF) funds across the four Windows of the GPF.

- To assess the GPF's focus on results (outcomes and impact).
- To endorse the selection criteria for support from the GPF, as they may be proposed over time by the Secretariat, and monitor whether they are observed.
- To monitor the integrity of the objectives of the GPF consistent with the Administration Arrangements/Agreements
- To recommend steps to enable the GPF to adapt in a manageable fashion to changing needs and circumstances for implementation of the Bank's GAC Strategy.

The GPC will meet once a year, more often in exceptional circumstances (including during the initiation of the facility). The GPC will convene to review progress made and the Annual Work Program (AWP). The Annual Work Program will be a consolidated report of on-going activities funded by the GPF, as well as selected proposals and planned calls for proposals. The AWP will not include specific, individual requests for funding. The GPC will endorse the criteria for activity selection and give guidance on the parameters of GPF activities.

Selection criteria will be specific to each Window, but there are also generic selection criteria, which include:

- Focus on activities with high potential impact and high quality
- Priority to support governance programs in fragile states, large poor economies with significant potential spill-over effects
- Countries where the Bank needs to add to its capacity urgently to enable rapid and effective engagement on GAC Implementation issues (prior to more permanent regional staffing levels arrangements)
- Countries where partner governments demonstrate strong ownership of agreed program.
- Quality standard must be high, measured by assessments and scores of independent peer reviewers and by the reviews of the SRC members.
- Emphasis on countries where the Bank and Development Partners submit joint proposals and countries where Development Partners aim to collaborate with the Bank at country level.

The GPC will include representatives of the Bank and Donor Partners contributing to the MDTF (the Donors). There is no upper limit to the total number of GPC members, overall and from each organization, but the quorum for meetings will be the Bank and at least one participant from each Donor (or otherwise agreed by the GPC). Each organization will nominate representatives that are duly authorized and together represent a balanced viewpoint from their organization. The GPC will be co-chaired by the Vice President for PREM of the World Bank and a high level representative of one of the Development Partners. Initially this will be the largest donor.

GPF Secretariat:

The role of the Secretariat is:

- To ensure GPF activities consistently apply the Bank's GAC Strategy and any guidance on its implementation.
- To coordinate the GPF work program on an ongoing basis. The AWP sets out the broad criteria, e.g. allocations across windows, whereas the Secretariat determines its implementation over the course of the year, including respective calls.
- To provide timely and adequate information to the GPC in order to enable the GPC to give appropriate guidance.
- To disseminate information about the GPF within the Bank and organize events that will enable Bank country teams to obtain support from the GPF and learn from best practice examples.
- To work with the GAC Team to provide support, seed funding and advice to Bank staff in the preparation and execution of activities supported by the GPF.
- To receive proposals for support by the GPF and examine them for completeness consistency with requirements.
- To ensure that proposals submitted for GPF funding are adequately scrutinized and pre-screened before they are submitted for review and approval by the SRC. The Secretariat will seek advice from the appropriate units within the Bank to ensure that all applications comply with the Bank's mandate and are consistent with the GAC Strategy.
- To assist the GPC and SRC in all their respective meetings and interactions and to prepare and distribute the minutes of GPC and SRC meetings.
- To organize reviews of proposals by peer reviewers (from a roster of peer reviewers), to provide guidance to improvements of proposals and to forward confirmed proposals to the SRC.
- To prepare for the SRC and the peer reviewers a short background note summarizing the context of each proposal that meets initial screening requirements vis-à-vis both Bank engagement in the country and other relevant donor-supported governance activities in country of which the Bank is aware.
- To monitor implementation of SRC-selected proposals and inform the GPC about progress at the GPC meetings. This may include forwarding proposals regarding amendments to proposal selection criteria to the GPC.
- To prepare the AWP within four months after the end of the Bank's financial year.
- To distil lessons from GPF-funded activities to be learned and shared more widely.
- To make arrangements for the Periodic Reviews of the GPF and present the results of such review to the GPC.
- To support the Program Manager/TTL for the MDTF in the execution of administrative tasks.

The TTL function of the MDTF itself will be outside the GPF Secretariat and allocated to a Bank staff member fully accredited as TTL for trust funds. This TTL will have the responsibility to ensure that:

- All responsibilities for the financial management and accounting of the MDTF are undertaken in accordance with World Bank trust fund policies and procedures.
- Funds are released and payments are executed in accordance with work programs of the GPF, of the Bank teams that are supported by the GPF and with the grant agreements.
- Calls of funds are issued in accordance with Administration Arrangements/Agreements.
- Ensure that all proposals are consistent with the Administration Arrangements/Agreements with the Donors.

The Secretariat will only include Bank staff.

Standing Review Committee (SRC):

Role and tasks of the SRC:

- To review all packages of proposals pre-cleared by the Secretariat for support under the GPF. To ensure limited transaction costs, there will be progressive subsidiarity, where some proposals would simply be subject to a non-objection or virtual reviews.
- To select proposals for GPF funding on a competitive basis, keeping in mind the GPC's indicative window allocations and any proposals separately approved by the Secretariat.
- To review ex post any activities funded by the GPF.
- To advise the Secretariat generally on the involvement of external peer reviewers for independent assessments of applications.
- To determine the Terms of Reference (TORs) to be used in the Periodic Reviews with inputs provided by the Bank's Independent Evaluation Group and the Donors.

The SRC will be chaired by a Bank staff at Director level and consist of senior level governance experts from the Bank and the Development Partners participating in the GPF. These are envisioned to be senior staff. The World Bank will appoint five representatives. The Development Partners will collectively appoint four representatives to the SRC as selected among themselves, with the expectation that the Development Partner making the largest actual contribution to date will be one of the four representatives.

In total there will be not more than nine SRC members. The Coordinator of the GPF Secretariat will be an additional, ex-officio member of the SRC. In view of the need for speed in the operation of the SRC, each representative will have at least one alternate who can fill in at short notice. The members of the SRC are expected to operate as a team of governance peers. The spirit of the SRC is that individual members do not exert veto power, but rather operate in a collegial fashion based on a joint responsibility for the strategic directions of the Governance Partnership Facility. If, in case of a virtual review

on a no-objection basis one of the members disagrees, feedback will be sought of the full SRC, at which point the SRC majority decides.