SEPTEMBER 2, 2021

MEETING OF THE FINANCE AND RISK COMMITTEE

VIA VIDEOCONFERENCE	FRC/2021/09 DOC 03	FOR DECISION

SUB-ACCOUNT OF THE GPE FUND FOR WEST BANK AND GAZA

Please note: Committee papers are deliberative in nature and, in accordance with the GPE Transparency Policy, are considered public documents only after the Committee has considered them. It is understood that Committee members will circulate Committee documents among their constituency members prior to Committee consideration for consultation purposes.

Key issues for considerations:

- Approval of changes to the GPE Fund Governance Document, Standard Contribution Agreement and oversight arrangements necessary for the establishment of dedicated Sub-Account to facilitate donor contributions and grant allocations for the West Bank and Gaza.

Objective

1. The purpose of this document is for the FRC to review and approve items pertaining to the establishment and oversight of the dedicated Sub-Account of the GPE Fund for the West Bank and Gaza.

Recommended Decision

FRC/2021/09/-XX—West Bank and Gaza Sub-Account: The Finance and Risk Committee in accordance with its delegated authority per BOD/2020/06-12 to facilitate the establishment and oversight of the Sub-Account:

1. Approves the oversight arrangements for the Sub-Account as set out in FRC/2021/09/DOC 03 along with the changes to the GPE Fund Governance Document and Standard Contribution Agreement set out in Annex A and Annex B respectively.

Background

2. In June 2020, the Board approved (BOD/2020/06-12) the establishment of a dedicated Sub-Account to the GPE Fund exclusively for the purpose of facilitating targeted contributions to fund eligible activities in the West Bank and Gaza (the "West Bank and Gaza Program Sub-Account"). Approval from the World Bank Board for GPE Funds to be used for a non-World Bank member was granted in May 2021.

3. For the West Bank and Gaza Program Sub-Account to be established, several changes are required to the GPE Fund Governance Document and Standard Contribution Agremeent that outline how funds in the West Bank and Gaza Program Sub-Account would be administered. As the Board noted in its June 2020 decision "***the need to minimize transaction costs and align with existing processes and procedures to the extent practicable***" the oversight arrangements for the Sub-Account and changes have been kept to the minimum necessary.
4. The Secretariat proposes that for the purpose of processing grant applications out of the West Bank and Gaza Program Sub-Account for System Capacity Grants, Multiplier, Program Development Grants, and any funding that may be provided for activities through other GPE grant mechanisms such as the Knowledge and Innovation Exchange, or Education Out Loud that existing arrangements with respect to approval processes, delegations of authority on decision making, oversight and governance arrangements, reporting requirements, responsibilities and costs of Grant Agents etc. would continue to apply in the same manner as allocations for any other grant funded from the GPE Fund.
5. As donor contributions into the West Bank and Gaza Program Sub-Account and related allocationswill be segregated, the Trustee will provide reporting that separates out such funding from that of the main GPE Fund.
6. For contributions into the GPE Fund, the Standard Contribution Agreement signed by contributors will be amended so that they may specifically allocate funds to the West Bank and Gaza Program Sub-Account, or exclusively to the main GPE Fund, or a combination of both.
7. Funding into and from the West Bank and Gaza Program Sub-Account is not expected to be significant. West Bank and Gaza would be eligible for a System Capacity Grant of US$1.6 million, and if sufficient additional co-financing was identified, a Multiplier allocation of up to US$10 million, along with a Program Development Grant to support such an application of not more than US$0.4 million. Minor amounts may also become available through other GPE Grant mechanisms.
8. While it is likely that only a small number of donors would provide the funding into the West Bank and Gaza Program Sub-Account, the GPE Secretariat recommends, in the interests of efficiency and reduced transactions costs, that a separate dedicated Committee not be established for the oversight of the fund and that existing Governance arrangements be applied. Other funds that have similar arrangements for dedicated funding to West Bank and Gaza do have standalone governance arrangements with representatives of contributing donors included. However, for GPE,

this would require the establishment of a new GPE committee and is not recommended for the reasons outlined above.

9. The changes outlined to the GPE Fund Governance document in Section 7 of Annex A and Standard Contribution Agreement in Annex B are administrative in nature. The Secretariat has also updated the documents to better align it with existing practice, the GPE Charter and GPE Strategy.
10. Should the FRC approve the Secretariat recommendation and related changes to the Fund Governance Document and Standard Contribution Agreement, the Secretariat will work with the Local Education Group to support the process to access funding, and with the Trustee to facilitate the signing of contribution agreements for funding into the West Bank and Gaza Program Sub-Account for grant allocation purposes. The Secretariat will report through its normal channels on any contributions into the West Bank and Gaza Program Sub-Account and allocations made from it.
11. As previously determined by the Board, the creation of this Sub-Account is an exception in light of the unique circumstances of West Bank and Gaza and is not to be considered a precedent.

Annex A - Fund Governance Document

Annex B – Standard Donor Contribution Agreement

Annex A – Fund Governance Document[1]

The **Global Partnership for Education Fund** (the "Trust Fund") is a multilateral financing mechanism to support the work of the Global Partnership for Education, a global partnership of developing and donor countries and agencies, civil society organizations, members of the teaching profession, private foundations and the private sector, dedicated to transforming education in lower-income countries~~focusing on accelerating progress towards the Education for All goals~~.

The purpose of the Trust Fund is to manage contributions in support of the "Eligible Activities" described in Section 1 as approved from time to time by the Global Partnership for Education Board of Directors (the "Board"). This Governance Document establishes the operating and decision-making procedures for the Trust Fund. In case of any conflicts, the provisions of the Charter of the Global Partnership for Education, as may be amended from time to time, shall supersede the provisions of this Trust Fund Governance Document.

Capitalized terms used hereinafter shall have the meanings ascribed to them below:

(a) **"Activity" or "Activities"** means an activity, a set of activities, or a part thereof, to be financed with funds from the Trust Fund, as approved by the Board based upon a Proposal;

(b) **"Agency Fees"** means the fees charged by a Grant Agent~~Supervising Entity or Managing Entity~~ and agreed by the Board in order to assist in the defrayment of administrative and other costs incurred in connection with the management and administration of Cash Transfers;

(c) **"Allocation"** means the portion of the Trust Fund funds that has been approved by the Board for allocation to Activities;

(d) **"Board"** means the Board of Directors of the Global Partnership for Education, as described in the Charter;

(e) "**Cash Transfer**" means the cash payment made to a Grant Agent~~Supervising Entity or Managing Entity~~ under a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum to IBRD for the approved Operating Expenses Budget;

(f) **"Chair"** means the independent, non-voting Chair of the Board and the Global Partnership for Education as a whole, as described in the Charter;

(g) **"Charter"** means the Charter of the Global Partnership for Education adopted bythe Board~~, as may be amended from time to time in accordance with its terms,~~ which establishes the governance arrangements and roles and responsibilities of the partners in the Global Partnership for Education;

(h) **"Contribution"** means the funds provided and to be provided by a Contributor to the Trust Fund, as specified in the Contribution Agreement/Arrangement, and

[1] The current version from 2013 can be found here: https://www.globalpartnership.org/content/gpe-fund-governance.

"**Contributions**" means the aggregate of all the funds provided and to be provided to the Trust Fund;

(i) **"Contribution Agreement/Arrangement"** means any agreement or arrangement between the Trustee and a Contributor setting forth specific terms and conditions for the receipt and use of a Contribution;

(j) **"Contributor"** means any country (including any ministry and agency thereof) or, if agreed by the Board and the Trustee, such other public or private entity that provides a Contribution;

(k) **"Coordinating Agency"** means the agency or organization within the Local Education Group responsible for coordinating members of the Local Education Group and serving as a communications link with the Secretariat;

(l) ~~**"Developing**~~**"Partner Country** ~~**Partner**~~**"** means a country: (i) that receives Trust Fund funds from a Grant Agent~~Supervising Entity~~ through a Grant Agreement, or (ii) on whose behalf a Grant Agent~~an Managing Entity~~ implements an Activity;

(m) "**Development Partners**~~**Partner Group**~~" means donors and technical partners active in the Local Education Group;~~Developing Country Partner, multilateral agencies, civil society organizations, representatives of the teaching profession the private sector and private foundations as further described in the Charter~~;

(n) **"Donor Country Partner"** means a country represented in a donor country constituency of the Board as described in the Charter**;**

(o) **"Education Sector Plan"** means a Partner Country's~~Developing Country Partner's~~ national comprehensive education sector plan, endorsed by members of the Local Education~~Development Partner~~ Group;

(p) **"End Transfer Date"** means the last day on which transfers can be made from the Trust Fund as determined by the Board in consultation with the Trustee;

(q) "**Financial Procedures Agreement/Arrangement**" means an agreement or arrangement between the Trustee and a Grant Agent~~Supervising Entity or Managing Entity~~ (excluding IBRD) setting out the financial procedures pursuant to which the Trustee makes commitments and transfers funds from the Trust Fund to such Entity under terms that do not involve Trustee responsibility post-transfer;

(r) "**Financial Procedures Memorandum**" means a memorandum between the Trustee and IBRD setting out the financial procedures pursuant to which the Trustee makes commitments and transfers funds from the Trust Fund to units of theIBRD for each of: (i) the Operating Expenses Budget; and (ii) Activities for whichthe IBRD is acting as Grant Agent~~Supervising Entity or Managing Entity~~, under terms that do not involve Trustee responsibility post-transfer;

(s) **"Global Partnership for Education"** means the global partnership formerly known as the Education for All Fast Track Initiative, established in 2002, of developing and donor

countries, agencies, civil society organizations, members of the teaching profession, the private sector and private foundations and other development stakeholders, with the aim of accelerating progress toward the Education for All goals;

(t) "**Grant Agent**" means any organization approved by the Board, in consultation with the Trustee, to enter into a Financial Procedures Agreement or Financial Procedures Memorandum to receive Cash Transfers and implement Activities as approved by the Board, or to supervise an Activity;

(u) **"Grant Agreement"** means an agreement or other arrangement entered into between a a ~~Supervising Entity and a Developing Country Partner~~ Grant Agent and a Partner Country or other entity in respect of an Activity;

(v) **"IBRD"** means the International Bank for Reconstruction and Development;

(w) **"IDA"** means the International Development Association;

(x) **"Local Education Group"** means the ~~Developing Country Partner government and the Development Partner Group~~ coordination mechanism that convenes the Partner Country government and Development Partners;

(y) ~~"**Managing Entity**" means any Multilateral Agency Partner or any Donor Country Partner approved by the Board, in consultation with the Trustee, to enter into a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum to receive Cash Transfers and implement Activities as approved by the Board;~~ **"Multilateral Agency Partner"** means any multilateral agency represented in the multilateral agency constituencies of the Board as described in the Charter;

(z) **"Operating Expenses Budget"** means the budget resources associated with delivery of the Chair and Secretariat's roles as set out in the Charter;

(aa) ~~**"Operational Manual"** means the manual or set of manuals and guidelines prepared by the Secretariat in consultation with the Trustee, comprising the detailed procedures for accessing, and reporting on use of, Trust Fund funds as may be amended from time to time;~~**"Proposal"** means any proposal submitted to the Board seeking Trust Funds for an Activity;

(bb) **"Secretariat"** means the unit established within IBRD to support the work of the Board and Global Partnership for Education, as described in the Charter;

(cc) ~~**"Supervising Entity"** means any Multilateral Agency Partner or any Donor Country Partner approved by the Board in consultation with the Trustee to enter into a Financial Procedures Agreement/Arrangement with the Trustee, receive Cash Transfers and supervise an Activity;~~**"Supervision Allocation"** means the portion of the Trust Fund allocated to a Grant Agent~~Supervising Entity~~ to offset costs associated with supervising an Activity, as approved by the Board at the time of approving an Allocation to a Grant Agent~~Supervising Entity~~;

(dd) Transitional Education Sector Plan" means the plan endorsed by members of the Local Education~~Development Partner~~ Group that prioritizes part of a ~~Developing Country~~ Partner Country's education system;

(ee) "Trustee" means the IBRD serving in the capacity as the Trust Fund manager and providing a set of financial administration services as agreed with the Board and the Contributors;

(ff) "Trustee Budget" means the administrative and other related costs incurred by the Trustee in connection with the performance of its financial administration services in support of the Trust Fund;

(gg) "Trust Fund" means the trust fund entitled the "Global Partnership for Education Fund";

(hh) "Trust Fund Governance Document" means this document adopted by the Board, as may be amended from time to time in accordance with Section~~Article~~ 8 of this document; and

(ii) "World Bank" means IBRD and IDA.

Section 1. Eligible Activities; Targeted Program

(a) The following activities are eligible for support from the Trust Fund:

(i) **Country Level**

- Support for system capacity, including but not limited to the development/revision of a national Education Sector Plan or Transitional Education Sector Plan for a Partner~~Developing~~ Country ~~Partner~~;
- Support for the development of applications~~a Proposal~~ for approved GPE grant mechanisms
- Support~~support~~ for implementation of activities focused on system transformation within the broader~~an~~ EducationSector Plan, ~~or~~ Transitional Education Sector Plan or sector policy framework.~~; and~~

- ~~Support for implementation of an Education Sector Plan or a Transitional EducationSector Plan~~

(ii) **Global and Regional Level**

- Knowledge and/or practice gap-filling initiatives and programs that address the Global Partnership for Education's priority thematic areas and enhance the capacity of Partner Countries~~Developing Country Partners~~ to meet their education goals;
- Activities enabling scale-up of identified evidence-based good practices relevant to the Global Partnership for Education; and
- Activities focused on improving Global Partnership for Education accountability including~~by~~ strengthening availability and quality of data.

(iii) **Other Costs**

- Operating Expenses Budget;
- Trustee Budget;
- Agency Fees;
- Supervision Allocations; and
- Any other activity approved by the Board.

(b) Within the framework of the Trust Fund, a targeted program with dedicated funding is established to provide assistance to West Bank and Gaza (the "GPE West Bank and Gaza Program"), supported by a sub-account established by the Trustee under the Trust Fund. The arrangements to guide the GPE West Bank and Gaza Program and provide accountability are set out in Section 7 of this Trust Fund Governance Document.

Section 2. Governance and Organizational Structure

The governance and organizational structure of the Trust Fund includes the Board, the Secretariat, the Trustee, and the Grant Agents. ~~Supervising Entity or Managing Entity.~~

Section 3. Board of Directors

(i) Roles and Responsibilities

Pursuant to the Charter, the Board makes funding decisions for the Trust Fund, monitors Trust Fund utilization and ensures that the Trust Fund is being used in line with the objectives and policies of the Global Partnership for Education, upon recommendations of committees established by the Board as relevant. The Board may exercise its roles and responsibilities as setout in the Charter and such other functions as the Board may deem appropriate to fulfil the purposes of the Trust Fund, including, but not limited to the following:

(a) developing and/or amending this Trust Fund Governance Document, the Charteror any other document setting out the governance of the Global Partnership for Education and the operating procedures of the Board and its committee(s);

(b) approving, in consultation with the Trustee, all Contributors to the Trust Fund that are not countries (including any ministry and agencies thereof);

(c) For Allocations in support of all country-level and global and regional level activities listed in Section 1. "Eligible Activities" above:

i. approving the eligibility and prioritization of Partner Countries~~Developing Country~~~~Partners~~ and global and regional organizations to submit Proposals;

ii. approving new Allocations and cancelling uncommitted Allocations and informing the Secretariat and Trustee thereof;

iii. approving the Grant Agent~~Supervising Entity(ies) or Managing Entity(ies)~~ for eachProposal, in consultation with the Trustee;

iv. deciding, in consultation with the Trustee and the Grant Agents~~Supervising Entities and Managing Entities~~, on the requirements for the content of and frequency for the periodic financial reports to be provided by a Grant

Agent~~Supervising Entities and Managing Entities~~ for an Allocation and for the portfolio of Allocations of the Grant Agent; ~~Supervising Entity or Managing Entity;~~

v. deciding, in consultation with the Grant Agents~~Supervising Entities and Managing Entities~~ on the requirements for the content of and frequency for the implementationreports to be provided by a Grant Agent~~Supervising Entities and Managing Entities~~ to the Board through the Secretariat for an Allocation and for the portfolio of Allocations of the Grant Agent; ~~Supervising Entity or Managing Entity;~~

vi. reviewing the financial and implementation reports referred to inparagraphs iv. and v. above, as consolidated by the Secretariat;

vii. deciding and informing the Secretariat, after consultation with the relevant Grant Agent~~Supervising Entity or Managing Entity~~, to direct the Trustee to: (A)~~i.~~ withhold transfers of the Trust Fund funds to a Grant Agent~~Supervising Entity or Managing Entity~~ pursuant to a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum; and/or (B)~~ii.~~ require the Grant Agent~~Supervising Entity or Managing Entity~~ to promptly return funds to the Trustee or to the dedicated account or accounts established by the Grant Agent~~Supervising Entity or Managing Entity~~ to administerCash Transfers. The Board may make this decision in the event that the Grant Agent~~Supervising Entity or Managing Entity~~ has used Cash Transfers in a manner inconsistent with theterms of the corresponding Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum or the applicable decisions of the Board; and

viii. recommending to cancel funding for all or part of an Activity for reasons, but not limited to, the reasons set forth in paragraph vii above, and informing the Secretariat and the Trustee thereof;

(d) approving Allocations for the Operating Expenses Budget; ~~on an annual basis;~~

(e) approving the Trustee Budget on an annual basis;

(f) approving any new Eligible Activities in addition to the activities listed in Section1 above; and

(g) determining the End Transfer Date in consultation with the Trustee anddetermining when to cease making Allocations from the Trust Fund.

(ii) Composition and Voting Rights

The composition ~~and voting rights~~ of ~~the members of the Board and the procedures for decision-making by~~ the Board shall be governed by the relevant provisions of the Charter, as may be amended from time to time in accordance with its terms. The Board will establish its own procedures for decision making and voting rights of the members.

The Board may delegate its responsibilities and decision-making authority over the Trust Fund to a committee of the Board, the Secretariat or to any other entity by means of a decision in writing approved by the Board in accordance with the terms of the Charter.

(iii) Committees

The Board may establish committees to assist it in its work from time to time. The terms of reference of any committee may be amended or rescinded by the Board from time to time.

(iv) Chair

The role of the Chair is set out in the Charter, as may be amended from time to time. The Chair shall work with the Secretariat to prepare Proposals for the Chair-related expenses in the Operating Expenses Budget on an annual basis for the approval of the Board.

Section 4. Secretariat

The Secretariat supports the work of the Global Partnership for Education and the Board. The Secretariat is housed in ~~the Washington, DC~~ offices of the World Bank and comprises a team of professional and administrative staff employed by the World Bank.

The responsibilities of the Secretariat are set out in the Charter~~, as amended from time to time~~. In addition, the Secretariat shall have the following responsibilities with regard to the Trust Fund:

(a) ~~preparing an Operational Manual, in consultation with the Trustee;~~receiving Proposals for review by the Board and/or any committees established by the Board;

(b)

~~(b)~~ reviewing and approving funding proposals based on any relevant delegated authority from the Board;

(c) confirming that Proposals contain the necessary information for review by the Board or committees established by the Board, as appropriate;

(d) notifying the Trustee of Proposals and associated Allocations as approved by the Board or Secretariat CEO; ~~;~~

(e) organizing meetings of the Board and committees thereof in connection with approval of Allocations;

(f) drafting and circulating minutes of the Board and committees thereof in connection with approval of Allocations;

(g) providing public information on the Trust Fund activities on the Global Partnership for Education website;

(h) providing guidance to Local Education Groups, Coordinating Agencies, and Grant Agents~~Supervising Entities and Managing Entities~~ on the processes and requirements for Proposals;

(i) receiving and consolidating annual implementation results reports from Grant Agents~~Supervising Entities and Managing Entities~~ in a format approved by the Board, for distribution to the Board and the Contributors;

(j) collaborating with the Trustee to ensure that the Trustee has all the information necessary to carry out its responsibilities;

(k) preparing Proposals for the Operating Expenses Budget ~~on an annual basis~~ for the approval of the Board; and

~~(k)~~(l) performing any other functions assigned to it by a decision of the Board.

Section 5. Trustee

(a) The IBRD will serve as Trustee for the Trust Fund.

(b) The Trustee, will establish the Trust Fund to receive Contributions, and will hold in trust, and administer the funds, assets and receipts that constitute the Trust Fund, pursuant to the terms of the Contribution Agreements.

(c) The Trustee, shall: (i) agree, in addition to the Board to any Contributor to the Trust Fund that is not a country (or ministry or agency thereof); and (ii) be consulted by the Board on its approval of the Grant Agent~~Supervising Entity(ies) and Managing Entity(ies)~~ for each Activity.

(d) The Trustee shall enter into Financial Procedures Agreements/Arrangements or a Financial Procedures Memorandum, as appropriate, with Grant Agents~~Supervising Entities and Managing Entities~~.

(e) The Trustee will, subject to the availability of applicable funds held in the Trust Fund as determined by the Trustee and subject to the terms of the Contribution Agreements, commit, transfer and/or use the Trust Fund funds for any purpose approved and in the amount allocated by the Board, in accordance with the terms of this Trust Fund Governance Document and the Contribution Agreements/Arrangements. Commitments and transfers of the Trust Fund funds to the Grant Agents~~Supervising Entities and Managing Entities~~ will be made pursuant to the applicable Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum.

(f) Upon the transfer of such funds to the relevant Grant Agent~~Supervising Entity or Managing Entity~~, the Trustee shall have no responsibility, fiduciary or otherwise, for the use of these funds including to the Grant Agent~~Supervising Entity, the Managing Entity~~, the Contributors, or the Board.

(g) The Trustee will require~~,~~ and accept from~~,~~ the Grant Agents~~Supervising Entities and Managing Entities~~ certain periodic financial reports, as decided by the Board and agreed between the Trustee and the Grant Agent. ~~Supervising Entity and/or Managing Entity.~~

(h) The Trustee will provide to the Board regular reports on the financial status of the Trust Fund, as set forth in the Contribution Agreements.

(i) The Trustee will prepare a Proposal for the Trustee Budget on an annual basis for the approval of the Board.

(j) The Trustee will be accountable to the Board for the performance of its functions.

(k) The Trustee will collaborate with the Secretariat to ensure that the Board has all the information necessary to carry out its responsibilities.

Section 6. Grant Agents

~~Supervising Entities~~ A Grant Agent may be appointed for a country-level activity or ~~activities and~~ for a global or~~and~~ regional activity~~activities~~ described in Section 1 (a)(~~.~~ ~~(~~i) and (ii) above. For a country-level activity~~activities~~, the Grant Agent~~Supervising Entity~~ is proposed by the Government, endorsed by the Local Education Group and is subject to approval by the Board in consultation with the Trustee.

(a) ~~Each Supervising Entity~~ Where the Grant Agent is supervising an Activity, it will be responsible for:

(i) appraising the Proposal of the Partner~~Developing~~ Country ~~Partner~~ for Activities in support of implementation of its Education Sector Plan or Transitional Education Sector Plan or other eligible education sector actions, with consideration for alignment of the Proposal with such plan, country and sector circumstances, and capacity concerns, according to the Grant Agent's~~Supervising Entity's~~ own policies and procedures;

(ii) entering into a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum, as appropriate, with the Trustee;

(iii) entering into Grant Agreements with the selected recipients, including but not limited to, Partner Countries~~Developing Country Partners~~ and/or other organizations that will implement the Activities;

(iv) using Cash Transfers and supervising Activities carried out therewith in accordance with: (i) its own policies and procedures including those related to audit, eligible expenditures, employment and supervision of consultants and the procurement of goods and works and its framework to combat fraud and corruption; and (ii) the applicable decisions of Board, including the purpose for which the specific Allocations have been approved by the Board;

(v) maintaining books, records, documents and other evidence in accordance with its usual accounting procedures to sufficiently substantiate the use of the Cash Transfers;

(vi) providing certain periodic financial reports for both individual Allocations and for the portfolio of Allocations of the Grant Agent~~Supervising Entity~~, as decided by the Board and agreed with the Trustee; and

(vii) providing certain periodic implementation reports for both individual Allocations and for the portfolio of Allocations of the Grant Agent~~Supervising Entity~~, as approved by the Board.

~~7. Managing Entities~~

~~Managing Entities may be appointed for country-level activities and for global and regional activities described in Section 1. (i) and (ii) above. For country-level activities, the Managing Entity is proposed by the Local Education Group and is subject to approval by the Board in consultation with the Trustee.~~

~~Each Managing Entity will be responsible for:~~

(b) Where the Grant Agent is implementing an Activity, A grant agent will be responsible for:

(i) using the Cash Transfers and supporting the timely and effective delivery of, ~~delivering~~ the Activities carried out therewith in accordance with: (i) its own policies and procedures including those related to audit, eligible expenditures, employment and supervision of consultants and the procurement of goods and works and its framework to combat fraud and corruption; and (ii) the applicable

decisions of the Board, including the purpose for which the specific Allocations have been approved by the Board;

(ii) entering into a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum, as appropriate, with the Trustee;

(iii) maintaining books, records, documents and other evidence in accordance with its usual accounting procedures to sufficiently substantiate the use of the Cash Transfers;

(iv) providing certain periodic financial reports for both individual Allocations and for the portfolio of Allocations of the Grant Agent~~Managing Entity~~, as decided by the Board and agreed with the Trustee; and

(v) providing of certain periodic implementation reports for ~~both individual~~ Allocations ~~and for the portfolio~~ of the Grant Agent~~Allocations of the Managing Entity~~, as approved by the Board.

Section 7. GPE West Bank and Gaza Program

(a) The Trustee will establish a Sub-Account under the Trust Fund to (i) support the GPE West Bank and Gaza Program, (ii) receive Contributions designated for the GPE West Bank and Gaza Program, and (iii) hold in trust, and administer the funds, assets and receipts that constitute the Sub-Account, pursuant to the terms of the Contribution Agreements. The Trustee will, subject to the availability of funds in the Sub-Account as determined by the Trustee and subject to the terms of the Contributions Agreements, commit, transfer and/or use the Sub-Account funds for any purpose approved and in the amount allocated by the Board, in accordance with this Trust Fund Governance Document and the Contribution Agreements. Upon the transfer of such funds to the relevant Grant Agent, the Trustee shall have no responsibility, fiduciary or otherwise, for the use of these funds, including to the Grant Agent, the Contributors, or the Board. The Trustee will provide to the Board regular reports on the financial status of the Sub-Account.

(b) In accordance with the terms of the Contribution Agreements, a Contributor may choose to provide funding to the GPE West Bank and Gaza Program. The Contributor will designate in its Contribution Agreement that its funding will be contributed to the GPE West Bank and Gaza Program.

(c) Except as specified in Section 7 (a) and (b), the procedures outlined in all other Sections of this document shall be applicable to the GPE West Bank and Gaza program

~~Section 7.~~Section 8. Amendments

This Trust Fund Governance Document may be amended by agreement of the Board, in accordance with the provisions of the Charter.

Annex B – Standard Donor Contribution Agreement (See Schedule 2 for West Bank and Gaza) [AVAILABLE IN ENGLISH ONLY]

Contribution Agreement between [Name of Contributor] and the International Bank for Reconstruction and Development concerning the Global Partnership for Education Fund (MTO No. 069020)

1. The International Bank for Reconstruction and Development (the "Bank"), as trustee (the "Trustee") of the Global Partnership for Education Fund (MTO No. 069020) (the "Trust Fund"), acknowledges that _____ (the "Contributor", and together with the Bank, the "Parties" and each a "Party") agrees to provide the sum of _____ (_____) as a contribution (the "Contribution") to the Trust Fund which is the funding instrument of the Global Partnership for Education. Other contributors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annex to this Contribution Agreement.

2. The Contribution shall be administered by the Trustee on behalf of the Contributor in accordance with the terms of (i) this Contribution Agreement, and (ii) the "Standard Provisions Applicable to the Global Partnership for Education Fund" ("Global Partnership for Education Fund Standard Provisions") set forth in the Annex to this Contribution Agreement. The Annex constitutes an integral part of this Contribution Agreement. Capitalized terms used in this Contribution Agreement and not defined herein shall have the meanings given to them in the Global Partnership for Education Fund Standard Provisions.

3. [Pursuant to paragraph 1 of Schedule 2 of the Standard Provisions Applicable to the GPE West Bank and Gaza Program Sub-Account, the Contributor designates that the Contribution will be specifically allocated in whole to the GPE West Bank and Gaza Program.]

~~3.~~4. The Contributor shall deposit the Contribution [promptly following countersignature in the full amount and currency specified in paragraph 1 above into such bank account designated by the Trustee upon submission of a payment request by the Trustee.] [in accordance with the following schedule and in the currency specified in paragraph 1 above into such bank account designated by the Trustee upon submission of a payment request by the Trustee:

(A) [Promptly following countersignature] [By *[Date]*] - _____ (_____)
(B) By *[Date]* - _____ (_____)]

~~4.~~5. When making any deposit, the Contributor shall instruct its corresponding bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Contributor for MTO No. 069020 (the Global Partnership for Education Fund), and the date of the deposit.

~~5.~~6. The offices responsible for coordination of all matters related to the implementation of this Contribution Agreement as of the date hereof are set forth below. Either party may notify the other in writing of a change in responsible officer.

For the Trustee:

Dirk Reinermann
Director
Trust Funds and Partner Relations
Development Finance
The World Bank
1818 H Street NW

Washington, DC 20433
USA
Tel: + 1 202 473 7654
Fax: + 1 202 522 2447

For the Contributor:

[Name]
[Title]
[Department]
[Organization]
[Address]
Tel: _____
Fax: _____
Email: _____

~~6.~~7. This Agreement may be amended only by written agreement between the Trustee and the Contributor; provided, however, that the Annex may only be amended with the agreement of all Contributors contributing to the Trust Fund.

~~7.~~8. The GPE Fund Governance Document and the Charter as amended from time to time, will provide guidance for the operational and decision-making procedures for the activities funded by this Contribution Agreement.

~~8.~~9. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Contribution Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Contribution Agreement, and upon possession by the Bank of this fully signed Contribution Agreement, this Contribution Agreement shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: _____
Dirk Reinermann
Director
Trust Funds and Partner Relations
Development Finance

Date: _____

[NAME OF CONTRIBUTOR]

By: _____
[Name]
[Title]

Date: _____

Standard Provisions Applicable to the Global Partnership for Education Fund

The following provisions shall be applicable to and form an integral part of all Contribution Agreements/Arrangements entered into between the Trustee, acting not for its own account but solely in its capacity as trustee of the Trust Fund, and the Contributors.

1. Definitions

1.1. Capitalized terms used hereinafter, but not otherwise defined in the Contribution Agreement/Arrangement, shall have the meanings ascribed to them below:

(a) **"Activity" or "Activities"** means an activity, a set of activities, or a part thereof, which could include Agency Fees and Supervision Allocations where applicable, to be financed with funds from the Trust Fund, as approved by the Board, or on its authority, based upon a Proposal.

(b) **"Agency Fees"** means the fees charged by a Grant Agent and agreed to by the Board in order to assist in the defrayment of administrative and other costs incurred in connection with the management and administration of Cash Transfers.

(c) **"Allocation"** means the portion of the Trust Fund funds that has been approved by the Board, or on its authority, for allocation to Activities.

(d) **"Board"** means the Board of Directors of the Global Partnership for Education, as described in the Charter.

(e) **"Cash Transfer"** means a cash transfer made to a Grant Agent under a Financial Procedures Agreement/Arrangement or to the World Bank under a Financial Procedures Memorandum.

(f) **"Chair"** means the independent, non-voting Chair of the Board and of the Global Partnership for Education as a whole, as described in the Charter.

(g) **"Charter"** means the Charter of the Global Partnership for Education adopted by the Board, as may be amended from time to time in accordance with its terms, which establishes the governance arrangements and roles and responsibilities of the partners in the Global Partnership for Education.

(h) **"Contribution"** means each Contributor's respective contribution to the Trust Fund, and **"Contributions"** means the aggregate of all the contributions to the Trust Fund.

(i) **"Contribution Agreement/Arrangement"** means any agreement or arrangement entered into between the Trustee and any Contributor in respect of the Contributor's Contribution.

(j) **"Contributor"** means any country (including any ministry and agency thereof) or, if agreed to by the Board and the Trustee, such other public or private entity that provides a Contribution.

(k) **"Donor Balance Account"** means a trust fund maintained or to be maintained by the World Bank to temporarily hold funds prior to being either refunded to a Contributor or transferred to an existing trust fund.

(l) **"Developing Country Partner"** means a country (i) that receives Trust Fund funds from a Grant Agent through a Grant Agreement, or (ii) on whose behalf a Grant Agent implements an Activity.

(m) **"Donor Country Partner"** means a country represented in a donor country constituency of the Board as described in the Charter.

(n) **"Eligible Organization"** means any organization other than a Multilateral Agency Partner or Donor Country Partner, that has been approved by the Board as eligible to perform the role of "Grant Agent" following an assessment confirming that the organization satisfies eligibility criteria and minimum standards established by the Board, in consultation with the Trustee.

(o) **"End Transfer Date"** means the last day on which transfers can be made from the Trust Fund to Grant Agents, as determined by the Board in consultation with the Trustee.

(p) **"Financial Procedures Agreement/Arrangement"** means any agreement or arrangement entered into between the Trustee and a Grant Agent that is not the World Bank in respect of Cash Transfers.

(q) **"Financial Procedures Memorandum"** means a memorandum specifying the applicable procedures for the transfers of funds from the Trust Fund by the Trustee to the World Bank for Activities for which the World Bank is acting as Grant Agent.

(r) **"Global Partnership for Education"** and the acronym **"GPE"** mean the global partnership formerly known as the Education for All Fast Track Initiative, established in 2002, of developing and donor countries, agencies, civil society organizations, the private sector and private foundations and other development stakeholders, with the aim of accelerating progress towards the Education for All goals.

(s) **"GPE Fund Governance Document"** means the document adopted by the Board, in consultation with the Trustee, which establishes the operational and decision-making procedures for the Trust Fund, as may be amended by the Board from time to time in consultation with the Trustee.

(t) **"Grant Agent"** means any Multilateral Agency Partner or any Donor Country Partner or any other Eligible Organization designated to receive Cash Transfers and implement or supervise an Activity, as approved by the Board in consultation with the Trustee.

(u) **"Grant Agreement"** means an agreement or other arrangement entered into between a Grant Agent and a Developing Country Partner or other entity in respect of an Activity.

(v) **"Holding Currency"** means the currency or currencies in which the Trustee maintains the Trust Fund in accordance with the Contribution Agreements/Arrangements.

(w) **"IBRD"** means the International Bank for Reconstruction and Development.

(x) **"IDA"** means the International Development Association.

(y) **"Multilateral Agency Partner"** means any multilateral agency represented in the multilateral agency constituency of the Board as described in the Charter.

(z) **"Operating Expenses Budget"** means the budget resources associated with delivery of the Chair and Secretariat's roles and responsibilities, as approved by the Board.

(aa) **"Proposal"** means any proposal submitted to the Board seeking Trust Fund funds for an Activity.

(bb) **"Secretariat"** means the unit established within the Bank to support the work of the Board and the Global Partnership for Education, as described in the Charter.

(cc) **"Supervision Allocation"** means the portion of the Trust Fund funds allocated to a Grant Agent to offset costs associated with supervising an Activity.

(dd) **"Trustee Costs"** means the administrative and other costs incurred by the Trustee in connection with the performance of its financial administration services in support of the Trust Fund.

(ee) **"Trust Fund"** means the trust fund entitled the "Global Partnership for Education Fund".

(ff) **"World Bank"** means IBRD and IDA.

2. Establishment of the Trust Fund

2.1. The Trust Fund is established to (i) manage Contributions to support the "Eligible Activities" described in the GPE Fund Governance Document, and (ii) transfer such Contributions and any investment income earned from the Trust Fund funds.

2.2. The Trust Fund will consist of (i) the GPE Fund general account and (ii) the GPE West Bank and Gaza Program Sub-Account. Except as specifically provided by the Standard Provisions Applicable to the GPE West Bank and Gaza Program Sub-Account set forth in Schedule 2 attached to this Annex, these Standard Provisions Applicable to the Global Partnership for Education Fund will apply *mutatis mutandis* to the GPE West Bank and Gaza Program Sub-Account.

~~2.2.~~2.3. The governance arrangements of the Global Partnership for Education and its partners' roles and responsibilities are set forth in the Charter. The governance arrangements for this Trust Fund and its operational framework are set forth in the GPE Fund Governance Document. Both the Charter and the GPE Fund Governance Document may be amended from time to time in accordance with their respective terms, provided that no Contributor will be obligated to make any additional contributions following any such amendment. In the event of any conflict between the provisions of the GPE Fund Governance Document or the Charter and the terms of this Contribution Agreement/Arrangement, the terms of this Contribution Agreement/Arrangement shall prevail.

3. Administration of the Contributions

3.1. The Trustee shall be responsible only for performing those functions specifically set forth in the Contribution Agreements/Arrangements and shall not be subject to any other duties or responsibilities to the Contributors, 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 Contribution Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

4. Commingling, Exchange and Investment of the Contributions

4.1. The Contribution funds in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The Contribution funds may be commingled with other trust fund assets maintained by the Bank.

4.2. The Contribution funds may be freely exchanged by the Trustee into other currencies as may facilitate their transfer.

4.3. The Contributor agrees to pay its Contribution in the currency stated in its respective Contribution Agreement/Arrangement or in a Holding Currency. In the event that Contributions are received in a currency other than a Holding Currency, promptly upon the receipt of such amounts, the Trustee shall, in accordance with procedures mutually accepted by the Trustee and the Secretariat, convert such amounts into a Holding Currency at the exchange rate obtained by the Trustee on the date of the conversion. Where Contributions prove to be insufficient to complete Activities as a result of an exchange rate fluctuation, neither the Trustee nor the Contributor shall bear any responsibility for providing any additional financing.

4.4. The Trustee shall invest the Trust Fund funds, including the Contributions, pending their transfer, in accordance with the Trustee's policies and procedures for the investment of trust funds administered by the Trustee. The Trustee shall credit all income from such investment to the Trust Fund to be used for the purposes of the Trust Fund.

4.5. The Trust Fund shall be maintained by the Trustee in the currency or currencies set forth in ~~the~~ Schedule 1 (Holding Currencies) attached to this Annex, as the same may be amended from time to time in accordance with the provisions of the Contribution Agreements/Arrangements.

5. Use and Purpose of the Trust Fund Funds

5.1. Subject to the availability of applicable funds held in the Trust Fund as determined by the Trustee, the Trustee shall make commitments, transfer and/or use the Trust Fund funds for any purpose approved and in the amount allocated by the Board, in accordance with the terms of the GPE Fund Governance Document, the Contribution Agreement/Arrangement, and the relevant Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum.

6. Trustee Costs, Agency Fees and Supervision Allocations

6.1. The Trust Fund funds may be used to pay the Trustee Costs. Upon approval by the Board of any proposal for Trustee Costs, the Trustee may transfer for the Trustee, the respective amount approved, provided the amount transferred shall be subject to an end of year adjustment based on actual costs incurred.

6.2. Subject to the availability of applicable funds held in the Trust Fund, as determined by the Trustee, the Trust Fund funds may also be used to pay the Agency Fees and Supervision Allocations, where applicable, as approved by the Board at the time of its approval of an Activity.

7. Operating Expenses Budget

7.1. The Trust Fund funds may also be used to pay for services provided to the Global Partnership for Education by the Secretariat and by the Chair. The Board shall approve the Operating Expenses Budget on an annual basis. Upon approval by the Board of the annual Operating Expenses Budget, the Trustee shall, subject to the availability of applicable funds held in the Trust Fund, as determined by the Trustee, transfer to the Secretariat the respective amount of compensation approved for the Operating Expenses Budget, each of which shall be subject to an end of year adjustment based on actual costs incurred.

8. Transfer of Funds to Grant Agents

8.1. The Trustee shall, subject to paragraph 5.1 above, commit the amount of the Trust Fund funds allocated by the Board and transfer such amounts to the Grant Agents, including the World Bank in its role as a Grant Agent, in accordance with the Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum, as appropriate.

8.2. Except as the Trustee and Board may otherwise agree, each Financial Procedures Agreement/Arrangement and Financial Procedures Memorandum shall provide that:

(a) Each Grant Agent shall be responsible for:

(i) the use of the Trust Fund funds transferred to it and Activities carried out therewith in accordance with: (1) its own policies and procedures including those related to eligible expenditures, audit, employment and supervision of consultants and the procurement of goods and works and its framework to combat fraud and corruption; and (2) the applicable decisions of the Board, including the purpose for which the specific Allocations have been approved by the Board, or on its authority;

(ii) maintenance of books, records, documents, and other evidence in accordance with its usual accounting procedures to sufficiently substantiate the use of the Cash Transfers;

(iii) provision of certain periodic financial reports for both individual Activities for which an Allocation was approved and for its portfolio of Activities, as agreed between the Trustee and the Board; and

(iv) provision of certain periodic implementation reports for both individual Activities for which an Allocation was approved and for the portfolio of Activities of the Grant Agent, in accordance with the GPE Fund Governance Document.

(b) Any Grant Agreement that the corresponding Grant Agent enters into with a Developing Country Partner, shall provide that if the Grant Agent determines that Trust Fund funds are used in a manner inconsistent with the corresponding Grant Agreement, the Developing Country Partner shall promptly refund the Trust Fund funds to the Grant Agent and the Grant Agent shall promptly return such funds to the Trust Fund.

(c) If the Board notifies the Trustee through the Secretariat that the Board has determined, following consultation with the Grant Agent, that Cash Transfers have been used in a manner inconsistent with the terms of the corresponding Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum or the applicable decisions of the Board and the Grant Agent has failed to remedy such use of Cash Transfers to the satisfaction of the Board, the Trustee shall withhold transfers to such Grant Agent, suspend any further commitment under the relevant Allocation, and require the Grant Agent to promptly return such funds to the Trustee or as otherwise instructed by the Board.

(d) Any Grant Agreement that the Grant Agent enters into with a Developing Country Partner shall provide that the Grant Agent shall only be obligated to make funds available under the Grant Agreement to the extent the Grant Agent has received funding from the Trustee and that neither the Grant Agent nor the Trustee shall have any personal liability to the Developing Country Partner for any shortfall in funding under such Grant Agreement.

(e) If Activities are canceled prior to completion, the relevant Grant Agent shall return to the Trust Fund any unused funds for such Activities and for the associated Supervision Allocations.

8.3. Recognizing the obligations of the Contributors under various United Nations Security Council Resolutions and the Contributors' intent that the Trust Fund funds not be used to finance terrorists, the Trustee shall, except as the Trustee and the Board may otherwise agree, include in each Financial Procedures Agreement/Arrangement and Financial Procedures Memorandum a requirement that the Grant Agent (i) undertake to use reasonable efforts, consistent with its policies and procedures, to ensure that the Trust Fund funds provided

to the Grant Agent by the Trustee are used for their intended purposes and are not diverted to terrorists or their agents, and (ii) acknowledges that the Trustee reserves the right to withhold any transfer of funds to the Grant Agent if a resolution, action or decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations prohibits or restricts, in the Trustee's determination, a member state of the United Nations to make a payment to the Grant Agent. The Grant Agents will include provisions corresponding to (i) above in any Grant Agreement that the Grant Agent enters into with Developing Country Partner.

8.4. Except as the Trustee and the Board may otherwise agree, each Financial Procedures Agreement/Arrangement and Financial Procedures Memorandum shall name the Contributors as third party beneficiaries with direct rights on the part of the Contributors to seek recourse under the Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum and will provide the Trustee with the rights of novation and assignment to enable the Contributors to seek direct recourse against a Grant Agent.

8.5. Except as the Trustee and the Board may otherwise agree, the Trustee shall also include in each Financial Procedures Agreement/Arrangement and the Financial Procedures Memorandum that the Grant Agent may invite the Contributors to participate in its supervision missions related to the Trust Fund and that, if any Contributor wishes to request to review or evaluate activities of a Grant Agent financed by the Trust Fund:

(a) where arrangements between the Grant Agent and such Contributor on the conduct of reviews, evaluations or verifications exist, the Grant Agent shall allow competent bodies of the Contributor to conduct such review, evaluation or verification of the use made of the Contribution in accordance with such arrangements, provided that all associated costs will be borne by the Contributor, unless otherwise agreed; or

(b) where no such arrangements between the Grant Agent and such Contributor exist, the Contributor and the Grant Agent will agree on the scope and conduct of such review or evaluation, and the Grant Agent will provide all relevant information with the limits of its policies and procedures, provided that all associated costs will be borne by the Contributor, unless otherwise agreed;

(c) if more than one Contributor wishes to request to review or evaluate the activities of the Grant Agent funded by the Trust Fund, such Contributors shall endeavor to act jointly through the Contributors' representative; and

(d) it is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Allocation, unless otherwise agreed between the Grant Agent and the Contributor.

8.6. The Trustee shall require and accept from the Grant Agents that have received Trust Fund funds from the Trustee periodic financial reports, including annual financial statements, audited or unaudited as agreed with Grant Agents and the Board. The Trustee shall make available such reports to the Contributors and to the Board through the Secretariat.

8.7. Upon the transfer of Trust Fund funds to Grant Agents, the Trustee shall have no responsibility for the use of the Trust Fund funds transferred and Activities carried out therewith. Each Grant Agent will be responsible for reporting through the Secretariat to the Board and to the Contributors on their Activities carried out with the Trust Fund funds pursuant to the GPE Fund Governance Document and the respective Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum and the decisions of the Board.

8.8. The Contributors shall have no liability for any third-party claims for damages arising out of the Trust Fund or the use of funds therefrom.

9. Employment of Consultants and Procurement of Goods

9.1. Procurement of goods and services by the Trustee and the Secretariat for activities financed by the Trust Fund funds shall be made in accordance with the policies and procedures of the Bank. Procurement of goods and services for activities financed by the Trust Fund funds transferred to the Grant Agents shall be made in accordance with the policies and procedures of the respective Grant Agent as set out in paragraph 8.2 (a) (i) above.

10. Accounting and Financial Reporting

10.1. The Trustee shall maintain separate records and ledger accounts in respect of the Trust Fund funds deposited in the Trust Fund and transfers made therefrom.

10.2. The Trustee shall report to the Board annually, unless otherwise agreed between the Trustee and the Board, on the status of Allocations recorded by the Trustee, commitments and transfers from the Trust Fund and receipts of funds in the Trust Fund.

10.3. The Trustee shall provide to the Contributors via the World Bank's Trust Fund Donor Center secure website, within six (6) months following the end of each Trustee fiscal year, an annual single audit report, comprising: (1) a management assertion together with an attestation from the Trustee'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 Trustee's external auditor's opinion thereon. The cost of the single audit shall be borne by the Trustee. If a Contributor wishes to request, on an exceptional basis, a financial statement audit by the Trustee's external auditors of the Trust Fund, the Contributor and the Trustee shall first consult as to whether such an external audit is necessary. The Trustee and the Contributor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Trustee 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 borne by the requesting Contributor.

11. Transfer, Cancellation, Refund

11.1. It is expected that the Contributions will be fully transferred by the Trustee by the End Transfer Date as decided by the Board in consultation with the Trustee. The Trustee shall only transfer Trust Fund funds for the purposes of this Contribution Agreement after such date with the written approval of all of the Contributors and the Board.

11.2. In the event that the Board shall cease making Allocations from the outstanding balance of the Trust Fund pursuant to the terms of the GPE Fund Governance Document, the Trustee shall continue to administer the Trust Fund after the date of cessation of Allocations by the Board in accordance with the provisions of the Contribution Agreement and the Financial Procedures Agreements/Arrangements and Financial Procedures Memorandum until such time the obligations of the Trustee set forth in paragraph 11.5 below are fulfilled. In such event, the Trustee, after consultation with the Board, shall return any unused amount of compensation allocated for the Trustee Costs calculated on an actual basis.

11.3. The Trustee may terminate its role as Trustee of the Trust Fund at any time after providing the Board and Contributors six (6) months' notice in writing. Following termination, the Trustee shall carry on no business for the Trust Fund except for the purpose of winding up its affairs. The Trustee shall, in consultation with the Board to the extent possible, take all necessary action for winding up its affairs in an expeditious manner, and for meeting the commitments already made by the Trustee.

11.4. Any Contributor may, upon three (3) months' prior written notice, cancel all or part of the remaining balance of its Contribution that is not allocated by the Board prior to the receipt of such notice. In the event of such cancellation, the Trustee shall, as instructed by the relevant Contributor in writing, promptly return directly

to the relevant Contributor or to the relevant Donor Balance Account or transfer to any other trust fund or fund administered by the Bank, such Contributor's pro-rata share of the outstanding unallocated balance of the Trust Fund funds in United States Dollars.

11.5. Following the End Transfer Date as set out in paragraph 11.1 above, the Trustee shall, as instructed by each Contributor in writing, return such pro-rata share of any remaining balance of the Trust Fund funds directly to such Contributor, or, to the relevant Donor Balance Account, or, transfer such remaining balance to any other trust fund or fund administered by the Bank. If the Trustee receives any funds returned from any Grant Agent after the End Transfer Date, the Trustee shall return such Contributor's pro-rata share of said funds directly to the Contributor or to the relevant Donor Balance Account, or transfer such remaining balance to any other trust fund or fund administered by the Bank, as instructed by such Contributor in writing.

12. Disclosure

12.1. The Trustee will disclose the Contribution Agreements/Arrangements and related information on this Trust Fund in accordance with its Policy on Access to Information. By entering into Contribution Agreements/Arrangements, the Contributors consent to such disclosure of their respective Contribution Agreement/Arrangement and such related information.

13. Dispute Resolution; Limitation on Donor Liability

13.1. The Contributors and the Trustee shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Contribution Agreements/Arrangements.

13.2. In providing funds under the Contribution Agreements/Arrangements, the Contributors do not accept any responsibility or liability towards any third parties including any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.

SCHEDULE 1
Holding Currencies

1. United States Dollars
2. Euros

SCHEDULE 2
Standard Provisions Applicable to the GPE West Bank and Gaza Program Sub-Account

1. When the Contributor makes a Contribution to the Trust Fund for the purpose of supporting the GPE West Bank and Gaza Program, it will designate in writing that its Contribution will be allocated to the GPE West Bank and Gaza Program and the amount of funds to be allocated to such program.

2. When the Contributor designates an allocation of its Contribution funds, in whole or in part, to the GPE West Bank and Gaza Program pursuant to paragraph 1 above, the Trustee will credit the amount of the Contribution funds designated by the Contributor to the GPE West Bank and Gaza Program Sub-Account.

3. Subject to paragraph 4 below and to the availability of applicable funds held in the GPE West Bank and Gaza Program Sub-Account as determined by the Trustee, the Trustee shall make commitments, transfer and/or use the Sub-Account funds for any purpose approved and in the amount allocated by the Special Committee, in accordance with the terms of the GPE Fund Governance Document, the Contribution Agreement/Arrangement, and the relevant Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum.

4. Commitments and transfers of Trust Fund funds by the Trustee for the Trustee Costs and the Operating Expenses Budget will be applied against the GPE Fund general account and the GPE West Bank and Gaza Program Sub-Account on a pro rata basis calculated based on the cash balance of funds in each account.

5. Any return of funds received by the Trustee will be credited to the relevant account from which the original funding was provided.

6. Only the Contributors to the GPE West Bank and Gaza Program will have beneficiary interests in the GPE West Bank and Gaza Program Sub-Account resources.

7. Any Contributor to the GPE West Bank and Gaza Program may, upon three (3) months' prior written notice, cancel all or part of the remaining balance of its Contribution that is not allocated by the Special Committee prior to the receipt of such notice. In the event of such cancellation, the Trustee shall, as instructed by the relevant Contributor in writing, promptly return directly to the relevant Contributor or to the relevant Donor Balance Account or transfer to any other trust fund or fund administered by the Bank, such Contributor's pro-rata share of the outstanding unallocated balance of the GPE West Bank and Gaza Program Sub-Account funds in United States Dollars.