H.E. Mr. Hendrik G.C. van den Dool
Ambassador
Embassy of the Kingdom of the Netherlands
Simina 29
11000 Belgrade
Serbia

Trust Fund Administration Agreement between the Kingdom of The Netherlands and the
International Bank for Reconstruction and Development and the International
Development Association concerning the Multi-Donor Trust Fund for Justice Sector
Support in the Republic of Serbia TF071444 (Successor of TF071171)

Excellency:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction
and Development (“IBRD”) and the International Development Association (“IDA”)
(collectively, the “Bank”) the intention of the Ministry of Foreign Affairs (the
“Donor”) to make available as a Grant the sum of three hundred thousand euros (EUR
300,000) (the “Contribution”) for Multi-Donor Trust Fund for Justice Sector Support
in the Republic of Serbia (the “Project”). Other donors are also expected to contribute
to this trust fund on the terms and conditions specified in the Attachments 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” attached hereto as Attachment 1. Attachment 1 constitutes
an integral part of this Agreement.

3. The Contribution shall be administered by the Bank on behalf of the Donor in
accordance with the terms of this Agreement and the “Standard Provisions Applicable
to the Multi-Donor Trust Fund” (the “Standard Provisions”) attached hereto as
Attachment 2. The Standard Provisions constitute an integral part of this Agreement.

4. The Donor shall deposit the Contribution promptly following countersignature in the
full amount and currency (“Contribution Currency”) specified in Section 1 above into
such bank account designated by the Bank upon submission of a payment request by
the Bank (such deposit being an “Installment”).
5. When making 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
TF071444 (MDTF for Justice Sector Support), and the date of the deposit. 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 +1-202-614-1315.

6. The offices responsible for coordination of all matters related to the implementation
of this Agreement are:

For the Bank:

Georgia Harley
Justice Reform Specialist
Governance Global Practice Group
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: +1-202-473-3940
Fax: +1-202-614-1638

For the Donor:

Aleksandra Kalinić
Policy Officer for Development Cooperation
Embassy of the Kingdom of the Netherlands
Simina 29
11000 Belgrade
Republic of Serbia

Tel: +381-11-2023-900

7. This Agreement may be amended only by written agreement between the Bank and
the Donor; provided, however, that Attachment 1 (Description of Activities and
expenditures) and Attachment 2 (Standard Provisions) to this Agreement may only be
amended with the agreement of all Donors contributing to this trust fund.
8. Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

Tony Verheijen
Country Manager for the Republic of Serbia
Europe and Central Asia Region

AGREED:

MINISTRY OF FOREIGN AFFAIRS OF THE
KINGDOM OF THE NETHERLANDS

By: [Signature]  Date: [07/16/2015]

Title: Deputy Ambassador
Netherlands Embassy
ATTACHMENT 1 OF THE ADMINISTRATION AGREEMENT

Description of Activities and Expenditures under the Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia

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

A. DESCRIPTION OF ACTIVITIES

The objective of the Trust Fund is to provide support for strengthening the justice sector of the Republic of Serbia in order to facilitate its integration to the European Union. The Trust Fund activities consist of the following components:

a. Bank-executed Activities

Component 1. Advisory services.

Sub-component 1.1. Provision of Advisory Services for Justice Sector Reform. Provide advisory services, including but not limited to preparation of analytical reports, provision of training, facilitation of policy dialogue and conducting surveys, in the areas of: (i) institutional capacity; (ii) resource management and aid coordination; (iii) legal and institutional environment; (iv) judicial facilities and infrastructure; and (v) outreach, monitoring and evaluation in order to strengthen the justice sector reform in the Republic of Serbia;

Sub-component 1.2. Provision of Additional Advisory Services for continued Justice Sector Reform. Advisory services provided under this Component I and initiated after May 1, 2012, shall include, among others:

I. Preparation of a roadmap of projects to be used for planning and implementation of future initiatives in the Serbian Justice Sector, as well as preparation of form documents which may be used for future planning, design, and implementation of these projects.

II. Training related to any of the above mentioned activities may be provided.

III. Development and promotion of a SWAp (sector-wide approach) methodology to be used in planning Justice Sector reform at the central level. Training will be provided to key MOJ staff to facilitate the SWAp preparations.

IV. Support to the newly introduced judicial services in accordance with best practices, including but not limited to notary and bailiff services.
V. Preparation of a report on the case management system in the courts of general jurisdiction, and propose mechanisms to update the case management system.

VI. Preparation of a proposal to adopt certain measures for efficient reduction of inflow of minor cases to the courts within the current legal framework.

VII. Preparation of documentation setting out best practices in the provision of the newly introduced judicial services (i.e. notaries, bailiffs, etc).

VIII. Provision of support for the development of justice sector performance indicators for judges and prosecutors.

IX. Provision of support for the development of an effective mechanism for collection, analysis and publishing of statistical data on judiciary performance for the purposes of better analytical work of the MoJ, HJC and SPC.

X. Provision of technical assistance for the preparation of a set of recommendations for the business reengineering of courts.

Component 2. Supervision of Recipient-executed activities

Carry out supervision of Recipient-executed activities.

Component 3. Trust Fund Administration and Program Management

Manage and administer the Trust Fund as per trustee responsibility, including donor and stakeholder coordination and report preparation.

b. Recipient-executed Activities

Component 4. Technical Assistance

Sub-component 4.1 Justice Sector Reform Facilitation Unit

Provide support for the establishment and operation of a Justice Sector Reform Facilitation Unit in the Ministry of Justice of the Republic of Serbia (MOJ), which will be responsible for facilitating and coordinating the justice sector reform program of the Republic of Serbia.

Sub-component 4.2 Access to Justice

Provide technical assistance to improve access to justice by: (i) developing a legislative framework for free legal aid based on the strategy for free legal aid; (ii) establishing the national and local institutions responsible for overseeing the free legal aid system; (iii) building the capacity of free legal aid providers; (iv) increasing the efficiency in the MOJ; (iv) facilitating knowledge-sharing; (v) carrying out a public awareness campaign; and (vi) strengthening the monitoring and evaluation systems and capacities in the MOJ.
B. CATEGORIES OF EXPENDITURE

For Bank-executed activities the Contributions may be used to finance: (a) staff costs; (b) media and workshop; (c) consultants fee; (d) contractual services; (e) extended term consultants costs; (f) temporary support staff costs; (g) travel expenses; (h) associated overheads; and (i) equipment lease.

For Recipient-executed activities, the Contributions may be used to finance: (a) consultants' services, excluding salaries of government employees; (b) training; (c) goods; and (d) operating costs.

The Contributions shall not be used to finance taxes, except social benefit charges of individual consultants, attributed to the expenditures on Recipient-executed activities.

C. INSTITUTIONAL ARRANGEMENT

A Management Committee for the Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia (the "Committee") is established to provide general oversight and direction for the Trust Fund. The Committee is comprised of representatives from the MOJ, all Donors contributing to the Trust Fund, the Bank and, as appropriate, other beneficiaries of the Trust Fund. The Committee shall be chaired by the Bank, and co-chaired by the Commission. The Committee shall be consulted on individual activities to be financed from the Trust Fund, excluding activities concerning Trust Fund management, administration, and monitoring and supervision of Recipient-executed activities. The Republic of Serbia and Donors may recommend to the Committee in writing to have certain activities executed by the Bank, which shall be subject to Bank's approval. The Committee shall ensure that the activities financed under the Trust Fund are in conformity with the development priorities of the Republic of Serbia, the Donors and the Bank, and also facilitate the Republic of Serbia's integration to the European Union. The Bank shall report to the Committee on quarterly basis on activities financed or proposed to be financed under the Trust Fund.

D. PROJECT REPORTING AND INDICATORS

The IBRD will monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Standard Provisions and on the basis of the indicators presented in Appendix A to this Administration Agreement.

E. PROCUREMENT

As soon as it is available, the Bank will present to the Donors the Procurement Plan for the parts of the Project to be contracted by the Bank.
ATTACHMENT 2

Standard Provisions Applicable to the Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia

This Attachment shall be applicable to and form an integral part of all agreements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

1. Administration of the Contributions

1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the IBRD and IDA under their Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. The 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 Contributions shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The Contributions may be commingled with other trust fund assets maintained by the Bank.

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

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

3. Administrative Cost Recovery

a. 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 deduct and retain for its own account an amount equal to two percent (2%) of each Contribution.
b. In addition, costs for program management and trust fund administration as defined by Attachment I to a maximum of one point six percent (1.6%) of each contribution will be charged to the Trust Fund on an actual basis. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration agreement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

4. Grants to Recipients

4.1. The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into [a] 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 responsible for the supervision of the activities financed under the Grant Agreements. Subject to the consent of the Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

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

5. Procurement

5.1. For Recipient-executed activities, the Grant Agreements shall provide that the Contributions shall be used by the Recipients to finance expenditures for goods and services, as the case may be, in accordance with the Bank’s Guidelines on “Procurement under IBRD Loans and IDA Credits” and the Bank’s Guidelines on the “Selection and Employment of Consultants by World Bank Borrowers,” as in effect at the date of entry into the respective Grant Agreements.

5.2. For Bank-executed activities, the employment and supervision of any consultants and the procurement of any goods financed by the Contributions shall be the responsibility of the Bank and shall be carried out in accordance with its applicable policies and procedures.

6. Accounting and Financial Reporting

6.1. The Bank shall maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund account and disbursements made therefrom.
6.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Contributions 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 provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.2, 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. The Contributions may be used to retroactively finance payments for eligible expenditures in accordance with the Bank’s policies and procedures.

8.2. It is expected that the Contributions will be fully disbursed by the Bank by June 30, 2019. 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 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 the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 8.3.

9. Disclosure

The Bank may disclose this Agreement and information on this Trust Fund in accordance with the Bank’s policy on disclosure of information, in effect at the time of such disclosure. By entering into this Agreement, Donors consent to disclosure of this Agreement and information on this Trust Fund.