Administration Agreement
(Africa Sustainable Extractive Industries Multi-Donor Trust Fund)

between

MINISTRY OF ECONOMY AND FINANCES
OF THE REPUBLIC OF FRANCE

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE
INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 12, 2013
ADMINISTRATION AGREEMENT (TF072041)

AGREEMENT dated October 12, 2013, entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("IBRD") AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION ("IDA", and together with the IBRD, the "Bank") and the MINISTRY OF ECONOMY AND FINANCES OF THE REPUBLIC OF FRANCE (the "Donor", and together with the Bank, the "Parties" and each individually, a "Party") concerning the Africa Sustainable Extractive Industries Multi-Donor Trust Fund, No. TF072041 (the "Trust Fund"). The Parties hereby agree as follows:

1. The Bank acknowledges that the Donor agrees to provide the sum of ten million United States Dollars ($10,000,000) (the "Contribution") for the Trust Fund in accordance with the terms of this Administration Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Agreement.

2. The Contribution shall be used to finance the activities set forth in the “Africa Sustainable Extractive Industries Multi-Donor Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and “Governance” attached hereto as Annex 3.

3. Upon signature of this Administration Agreement by the Bank and the Donor, the Donor authorizes the Bank to convert a portion of the Euros held with the Bank in the French Holding Trust Fund (TF071120) to obtain the Contribution amount in United States Dollars ("Contribution Currency") and to transfer such Contribution amount to the Africa Sustainable Extractive Industries Multi-Donor Trust Fund (TF072041) (such transfer being an “Installment”).

4. Any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax 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 (the “Bank Contact”):

Dr. Richard Damania  
Lead Economist (AFTSN)  
The World Bank  
1818 H Street, N.W., Washington, D.C. 20433

Tel: +1.202-473-3844  
E-mail: rdamania@worldbank.org

- 1 -
For the Donor (the “Donor Contact”):

Mr. Arnaud Buissé  
Sous-directeur Service des affaires multilatérales et du développement  
Direction Générale du Trésor  
Ministry of Economy and Finances  
139, rue de Bercy – Teledoc 578  
75572 Paris Cedex 12  
France  
Tel: +33 1 44 87 17 17  
Facsimile: +33 1 53 18 36 15  
Email: Tresor-communication@dgtresor.gouv.fr  
arnaud.buisse@dgtresor.gouv.fr

6. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor’s applicable donor balance account with the Bank, unless otherwise agreed with the Bank.

7. All annexes hereto constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Agreement may be amended only by written amendment of all donors contributing to the Trust Fund.

[remainder of page intentionally left blank]
8. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with its terms and conditions. This Administration Agreement shall become effective as of the date hereof.

AGREED at Washington, District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 

Name: Dr. Jim Yong KIM
Title: President

MINISTRY OF ECONOMY AND FINANCES OF THE REPUBLIC OF FRANCE

By: 

Name: Mr. Pierre MOSCOVICI
Title: Minister of Economy and Finances
Africa Sustainable Extractive Industries
Multi-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the “Administration Agreements” and each an “Administration Agreement”) between the Bank and any entities that provide any funds to the Trust Fund (collectively, the “Donors”).

1. Objectives

The objectives of the Trust Fund are to provide selected African countries with the knowledge and technical capacity to transform their extractive resources into sustained growth, including through advice to help clients: (i) secure improved contractual terms; (ii) improve policies for enhancing environmental and social sustainability; and (iii) improve policies and strategies for local economic sustainability through supporting backward and forward linkages.

2. Activities

2.1 The activities (which together may be described as the “Activities” and separately as “Components” of activities) to be financed by the Trust Fund are:

A. Local economic sustainability. Advice on local sustainability and policies for developing economy-wide forward and backward linkages, including analysis on catalytic investments, links between extractive industry activities and infrastructure, ways of promoting and capturing synergies, policies and contractual arrangements for enhancing the value-chain of investments, and advice on appropriate structures (legal, financial, technical, etc.) for leveraging investments to catalyze wider investments.

B. Local environmental sustainability. Advice (including research, data collection on baselines and related issues) on environmental sustainability, including supporting the development of policies, institutional structures, assessment of the magnitude of externalities on natural capital assets, and systems to assess environmental impacts as well as supporting the development of workable solutions and remedies to mitigate the adverse environmental impacts of resource extraction.

C. Local social sustainability. Advice on social sustainability, including guidance on benefit sharing arrangements drawing on global experience and best practices, as well as advice on how to better assess social impacts, health, and livelihood effects, assessment of the magnitude of externalities on human capital assets and improve local service delivery and local human capital in areas affected by mining and other extractive activities.

D. Overarching institutional capacity. Supporting a country’s general capability to understand and negotiate contracts, create opportunities for development, and manage risks. This area of assistance would aim to strengthen the overarching institutional capacity, through upstream diagnostics, capacity building, knowledge dissemination and consultation with local communities. This would include diagnostics to identify gaps in institutional and legal capacity, reviewing options and best practice, as well as workshops
and other consensus and capacity building activities. It would also provide support to harmonize national and local policies and approaches.

E. Contract negotiations. Supporting legal and transaction advice to secure improved contractual terms from investors, reviewing terms of reference, providing advice on developing the legal framework for negotiations, advice on negotiation methods and transaction fee structures among others.

2.2 Bank-executed Activities. The Activities for which the Bank may have implementation responsibility are limited to Components A, B, C and D (it being understood that in connection with Component D, the Bank will only support "general" capacity building to ensure that no such support would be targeted to a specific project or investment.)

2.3 Recipient-executed Activities. The Activities for which one or more Recipients (as defined in Annex 2) may have implementation responsibility are Components A, B, C, D and E (it being understood that in connection with Component E, the Bank will not support the renegotiations of existing contracts).

3. Eligible Expenditures

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance the following:
   (a) associated overheads;
   (b) consultant fees for individuals and firms;
   (c) contractual services;
   (d) equipment and office premises lease cost;
   (e) extended term consultants-no indirect costs;
   (f) extended term consultants - with indirect costs;
   (g) field assignment benefits;
   (h) media, workshop, conference and meeting;
   (i) staff costs - with indirect costs;
   (j) staff costs - no indirect costs;
   (k) temporary support staff costs;
   (l) temporary staff costs - no indirects; and
   (m) travel expenses.

3.2 For Recipient-executed activities, the Trust Fund funds may be used to finance the following:
   (a) consulting services; and
   (b) training.
4. **Taxes**

4.1 The Activities and expenditures set forth in Article 3 (*Eligible Expenditures*) above may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.

5. **Selection Criteria**

5.1 The Bank may support Activities to be financed from the Trust Fund in a country so long as:

(i) such country is located in Africa and has significant discoveries of natural resource reserves (including oil, gas, or mineral reserves) and such reserves are in the process of, or expect to be, the subject of contract negotiations, and

(ii) for activities under Component (E), the underlying contract(s) and/or project(s) to be supported by the selected Activities adhere to international best practice transparency principles for extractive industries, and to the extent possible, such contract(s) are publicly disclosed.
Standard Provisions

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. Administration of the Contributions

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration 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 Administration 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.

1.2 Each Donor’s Contribution (collectively, the “Contributions”) 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 procurement, financial management, disbursement and safeguard policies, 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 of Charter of the United Nations. The Donors acknowledge 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 a Donor.

2. Management of the Contributions

2.1 The funds deposited 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 funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is United States Dollars (the “Holding Currency”).

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.
2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit: (i) all income from such investment; and (ii) any Repayment (as defined below), to the Trust Fund to be used for the same purposes as the Contributions.

3. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Installment, an amount equal to two percent (2%) per Installment as an administrative fee for the Trust Fund.

3.2 In addition, costs incurred by the Bank for other expenses, such as for program management and Trust Fund administration, that are: (i) not covered by the percentage deduction specified above as an administrative fee; and (ii) not included under Annex 1 of the Administration Agreements in accordance with the Bank’s applicable policies and procedures shall be charged to the Trust Fund on an actual basis up to a maximum of thirteen percent (13%) of the total Contributions under all Administration Agreements.

3.3 Each Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated on the basis of anticipated Contributions. If actual Contributions significantly differ from what was originally anticipated at the time of signature of the first Administration Agreement, or if other circumstances affecting Trust Fund fees or costs change, the Bank reserves the right to request a change to the terms of this Trust Fund Fees and Costs section, which would be effectuated by amendments made to the Administration Agreements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under new Administration Agreements.

4. **Accounting and Financial Reporting**

4.1 The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

4.2 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance (including any Repayment (as defined below)) in the Holding Currency 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 with respect to the Contributions shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website (excluding any Repayment (as defined below) that may be outstanding at such time).

4.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising: (i) a management assertion (including in respect of any Repayment (as defined below)) 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 (ii) 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.
4.4 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 borne by the requesting Donor.

4.5 The Bank shall make available to the Donors copies of all financial statements and auditors’ reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank’s Access to Information Policy.

5. **Progress Reporting**

5.1 The Bank shall provide the Donors with annual reports on the progress of relevant Activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donors a final report on the relevant Activities financed by the Trust Fund.

5.2 Any Donor may review or evaluate such Activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. 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 the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, 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.

6. **Disbursement; Cancellation; Refund**

6.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by January 3, 2020 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts; provided that the Bank shall have no obligation whatsoever to return any Repayment (as defined below) received by, or payable to, the Bank after the End Disbursement Date (and, without prejudice to Section 1.1 above, the Donors acknowledge that the Bank shall have no liability whatsoever relating to, arising therefrom, or in connection with, any such Repayment after such date).

6.2 Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the relevant Donor or Donors in the Holding Currency in the manner specified by each such Donor in its respective Administration Agreement the pro rata share(s) of any such uncommitted balance of the
Trust Fund, in accordance with any additional terms that may be agreed between the Bank and each such Donor.

7. **Disclosure; Dispute Resolution**

7.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Agreements, the Donors consent to such disclosure of their respective Administration Agreements and such related information.

7.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

8. **Grants to Recipients**

8.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the “Grant Agreements”) with recipients (the “Recipients”) consistent with the purposes of this Administration 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.

8.2 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

8.3 The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements (including any waiver to, or forgiveness of, any Repayment (as defined below)) 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.

9. **Repayment Feature**

9.1 If activities under Component (E) are proposed to be financed by this Trust Fund, then the Grant Agreement shall include (unless determined otherwise by the Bank) provisions for the repayment of part or all of the proceeds advanced by the Trust Fund for such activities (“Repayment”); provided, however, that Repayment shall not apply to conflict-affected and fragile countries (as such is determined by the Bank pursuant to its policies and procedures.)

9.2 The applicable terms and conditions of the Repayment under each Grant Agreement shall be determined by the Bank taking into account the Recipient’s and the underlying project’s context, and in all cases, will be consistent with the Bank’s policies and procedures, and include that:
(a) the Repayment will be due and payable upon: (i) the earlier of a specified date, or the occurrence of a specified event(s); and (ii) written demand by the Bank\(^1\); and

(b) the amount of the Repayment will vary depending on the Recipient’s classification at the Bank, per its policies and procedures (it being understood that: (i) the Repayment amount for IBRD borrowing countries will be equal to one hundred percent (100%) of the proceeds so advanced; and (ii) the Repayment amount for countries eligible for IDA support and “blend countries\(^2\)” (other than conflict-affected and fragile states) will be sixty percent (60%) of the proceeds so advanced).

9.3 The Donors acknowledge and agree that if, after the date of the Grant Agreement, a situation has arisen or event(s) or circumstance(s) have occurred which, in the opinion of the Bank, makes it improbable that: (i) the underlying project can be carried out; or (ii) the Recipient can perform its Repayment obligation under the Grant Agreement, then the Bank shall have the right to waive (or forgive, as the case may be) the Recipient’s Repayment obligation under the Grant Agreement (and the Bank shall inform the Donors accordingly).

---

\(^1\) In order to mitigate the risk of payment-related defaults, which could potentially have an unexpected adverse effect on the Bank’s portfolio with the Recipient, a written demand for the Repayment will need to be made by the Bank to the Recipient.

\(^2\) Means countries that are IDA-eligible and are also creditworthy for some IBRD borrowing.
Annex 3

Governance

This Annex shall be applicable to, and form an integral part of, all Administration Agreements between the Bank and the respective Donors.

Technical Review Committee (TRC)

A Technical Review Committee ("TRC") within the Bank will be responsible for screening and approving proposals for this Trust Fund. It would also be responsible for general oversight, including ensuring that the activities contemplated are within the permissible scope of activities for Recipient-executed Activities ("RETF") and Bank-executed Activities ("BETF") windows.

The TRC will be chaired by the Bank’s Africa Director of Sustainable Development (or nominee) and will also include a nominee from each of the Bank’s Oil, Gas, and Mining Division, Legal Vice-Presidency, and the Office of the Regional Safeguard Advisor.

The TRC would meet twice a year (or as required based on demand) to select proposals generated through a “Call for Proposals” (and screened by the PCU, see below) and address other management matters, including those dealing with risks as well as any demand for, waiver or forgiveness of, any Repayment (see Section 9 of Annex 2). The TRC would follow procedures and criteria for determining eligibility of countries and projects (such procedures and criteria to be prepared by the PCU and adopted by the TRC prior to any Call for Proposals) for funding, including as described in Section 5 of Annex 1 to this Administration Agreement. Decisions will be made by consensus and could be made on a no-objection basis. The TRC will also consider the terms and conditions for any Repayment (see Section 9 of Annex 2) applicable to any proposal, which will need to be in form and substance acceptable to the relevant units of the Bank.

Program Coordination Unit (PCU)

A Program Coordination Unit (PCU) will be comprised of the program specialist and a part time analyst assigned by the Bank to this Trust Fund. The PCU would also receive cross support from a senior operations officer, and advice from Bank staff suitably qualified to deal with technical issues in the Africa region and in the oil, gas and mining sector. The PCU would oversee designating activities as either Bank-executed or Recipient-executed to minimize risks of misallocation between the RETF and BETF windows. The Bank’s relevant units responsible for or overseeing trust funds would provide advisory support. The PCU would support the TRC in screening proposals (with advice from operational staff and other technical staff as needed), provide consolidated operational reporting on the Trust Fund, and overall support for the management of the Trust Fund. The PCU’s functions will include:

- Administration, monitoring, accounting, and overall support for the Trust Fund and to the TRC, Organizing reviewing and approving closing date extension requests, and so on.

- Monitoring and reporting. Coordinating reviews and evaluations, including evaluating the overall Trust Fund program, producing Progress Reports for donors and other stakeholders,
monitoring and reporting on progress of grants on a regular basis (including against the results framework).

- Knowledge and communications. Supporting knowledge sharing and disseminating lessons and experience across Africa, preparing and maintaining the Trust Fund website, disseminating examples of good practice, and keeping the Bank’s Africa management team abreast of progress and results from Trust Fund Activities under implementation.

- Task Team Leaders (TTLs) support: providing Trust Fund and operational guidance to TTLs during the Trust Fund cycle process, on available best practice and experience from other countries, providing technical and quality review of proposals, and advice on Trust Fund policy, procedures, and guidelines.

DONOR COMMUNICATION AND CONSULTATION MECHANISMS

An annual meeting with donors, chaired by the Regional Vice President (or designee), will focus on strategic consultations and progress reporting. These meetings will most likely be held during the Bank’s Annual Spring or Fall Meetings, or as agreed on by the Regional Vice President and donors.