The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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October 18, 2012

H.E. Ambassador Ritva Koukku-Ronde
Embassy of Finland
3301 Massachusetts Avenue, NW
Washington DC, 20008

Trust Fund Administration Agreement between the Ministry for Foreign Affairs of Finland and the International Bank for Reconstruction and Development and the International Development Association concerning the Middle East and North Africa (MNA) Region-wide Technical Assistance Multi-Donor Trust Fund (TF No. 071840)

Her 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") that the Ministry for Foreign Affairs of Finland (the "Donor") shall make available, subject to Parliamentary appropriations, as a grant the sum of eight hundred thousand Euros (800,000 EUROS) (the "Contribution") for the MNA Region-wide Technical Assistance Multi-Donor Trust Fund (TF No. 071840) (the "Trust Fund") in accordance with the terms of this Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes I and II to this Agreement.

2. The Contribution shall be used to finance the activities and the categories of expenditures in accordance with the terms set forth in the "Description of Activities, Expenditures and Governance Arrangements for the MNA Region-wide Technical Assistance Multi-Donor Trust Fund" attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement including the "Standard Provisions Applicable to the MNA Region-wide Technical Assistance Multi-Donor Trust Fund" (the "Standard Provisions") attached hereto as Annex 2.

3. The Donor shall deposit the full Contribution in one installment into such bank account designated by the Bank promptly following countersignature of this Agreement by the Donor and submission of a payment request by the Bank.

4. When making each such deposit, the Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor for TF No. 071840 (the MNA Region-wide Technical Assistance Multi-Donor Trust), and the
date of the deposit (the “Deposit Instruction”). In addition, the Donor shall provide a copy of the Donor’s Deposit Instruction to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315. Immediately upon receipt of the Additional Contribution funds, the Bank will convert such funds into United States dollars.

5. Except as provided for in paragraph 4 above, any notice, request or other communication to be given or made under this Agreement shall be in writing and delivered by mail, facsimile or e-mail to the respective party’s address specified below or at such other address as such party notifies in writing to the other party from time to time:

For the Bank:

Yogita Mumssen
Special Assistant to the Regional Vice President
Unit/Department: MNAV
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.
Tel: 202-473-7793
Fax: 202-477-0810
E-mail: ymumssen@worldbank.org

For the Donor:

Tiina Kajakoski
Desk officer
Unit for the Middle East and North Africa
Address: PO Box 541, FI-00023 Government, Finland
Tel: +358 40 742 3893
Fax: +358 9 160 56293
E-mail: tiina.kajakoski@formin.fi and ali-10@formin.fi

6. In providing funds under this Agreement, the Donor does not intend to accept any responsibility or liability towards any third parties for any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.

7. The Donor and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claims arising out of or relating to this Agreement.

8. All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the Bank and the Donor; provided, however, that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.
9. Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Inger Andersen
Regional Vice-President
Middle East and North Africa Region

AGREED:

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

By: [Signature]

Name: Ritva Kouku-Ronde
Title: Ambassador of Finland to the United States of America
Date: 19.10.2012
ANNEX 1

Description of Activities, Expenditures and Governance Arrangements for the MNA Region-wide Technical Assistance Multi-Donor Trust Fund

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

The overall development objective of the Trust Fund is to provide catalytic donor support in the Middle East and North Africa Region that are currently undergoing historic transition and reform.

Section I. Summary of Trust Fund Activities

A. Bank-Executed Trust Fund Activities:

1. Technical Assistance

(a) Project identification, including project design, to adapt best practice to local and country circumstances for greatest effectiveness, including timely and transparent delivery of results.

(b) Research and analysis produced into user-friendly and implementation-oriented studies/policy notes. This may include data collection (e.g. surveys) to help fill knowledge gaps and to inform policy interventions and program/project design. Release of new data is expected to yield a wealth of information that when analyzed, can help guide policy.

(c) Institutional strengthening and capacity building, including expert advisory services, training, and human resource or organizational development. This may also include the actual contracting of partners (e.g. training agents, auditors, non-governmental organizations, local governments) during initial stages of implementation of new procedures/reforms, alongside which government agencies and public service providers can receive “on-the-job” training.

(d) Design of management information systems.

(e) Design of monitoring systems and impact evaluations of government/donor-funded programs.
2. Knowledge Sharing and Dissemination

(a) Landmark conferences and workshops on the thematic components or sub-components.

(b) Outreach activities that provide a platform for dialogue between key stakeholders (e.g. civil service organizations, youth groups, media, religious groups, non-governmental organizations) and also that enable the capture and dissemination of good practices, using a variety of communication/media tools.

(c) Twinning arrangements (e.g. between institutions in MNA and in OECD countries).

(d) South-South knowledge exchange, in particular with countries that have undergone transition.

3. Program Management and Coordination

The Contribution will also finance all program management and administration related activities. These costs may be subject to future adjustment in accordance with Section 3.1 of Annex 2 of this Agreement.

B. Recipient-Executed Trust Fund Activities:

1. Technical Assistance

(a) Project preparation, including project design, to adapt best practice to local and country circumstances for greatest effectiveness, including timely and transparent delivery of results.

(b) Research and analysis produced into user-friendly and implementation-oriented studies/policy notes. This may include data collection (e.g. surveys) to help fill knowledge gaps and to inform policy interventions and program/project design. Release of new data is expected to yield a wealth of information that when analyzed, can help guide policy.

(c) Institutional strengthening and capacity building, including expert advisory services, training, and human resource or organizational development. This may also include the actual contracting of partners (e.g. training agents, auditors, non-governmental organizations, local governments) during initial stages of implementation of new procedures/reforms, alongside which government agencies and public service providers can receive “on-the-job” training.

(d) Design of management information systems.
(e) Design of monitoring systems and impact evaluations of government/donor-funded programs.

2. Knowledge Sharing and Dissemination

(a) Landmark conferences and workshops on the thematic components or sub-components.

(b) Outreach activities that provide a platform for dialogue between key stakeholders (e.g. civil service organizations, youth groups, media, religious groups, non-governmental organizations) and also that enable the capture and dissemination of good practices, using a variety of communication/media tools.

(c) Twinning arrangements (e.g. between institutions in MNA and in OECD countries).

(d) South-South knowledge exchange, in particular with countries that have undergone transition.

Section II. Categories of Expenditure

For Recipient-Executed activities, the Contributions may be used to finance:

(a) goods;
(b) consultants’ services; and
(c) training.

For Bank-Executed activities, the Contributions may be used to finance:

(a) associated overheads;
(b) consultants’ fees individuals and firms;
(c) contractual services;
(d) equipment lease cost;
(e) extended term consultants;
(f) media, workshop, conference and meeting;
(g) staff costs with indirects;
(h) temporary support staff costs;
(i) travel expenses; and
(k) equipment purchase

The foregoing categories of expenditures may include the financing of taxes.

Section III. Governance Arrangements

The implementation of the Trust fund will be guided by a Program Council chaired by the MNA Vice-President and comprised of one member from each donor contributed to the Trust Fund US$1 million or more in total.
The Program Council will be responsible for:

(a) providing broad policy guidance on trust fund implementation, including on outcome indicators and criteria for eligibility criteria of proposals to be used in the activity/project identification;
(b) reviewing the annual work program; and
(c) reviewing implementation reports.

The Program Council will meet every six months for the first two years, and subsequently it will meet annually. The draft minutes of the Program Council’s meeting will be furnished to the members for their review and approval. The Program Council will operate on the basis of consensus.

The Operating Principles to be approved by the Program Council will govern the implementation of the Trust Fund activities which may be amended from time to time with the agreement of all members of the of the Program Council.
ANNEX 2

Standard Provisions Applicable to the MNA Region-wide Technical Assistance Multi Donor Trust Fund

This Annex 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 of 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**

3.1. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Agreement, the Bank may deduct and retain for its own account two percent (2%) of each Contribution. In addition, costs for program management and administration as referred to in Annex 1 up to a maximum of 5% 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 agreement (the “Grant Agreement”) with eligible recipients selected in accordance with the governance terms of Annex 1 (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. 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 relevant 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 including achievements related to the results framework within three months of the end of the Bank’s financial year. Within six (6) months of the final disbursement date specified in paragraph 8.1 the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.
7.2 Any Donor may review or evaluate activities financed by the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of its policies and procedures. All associated costs shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

8. **Disbursement; Cancellation; Refund**

8.1 It is expected that the Contributions will be fully disbursed by the Bank by August 31, 2016. The Bank shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.

8.2 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.

8.3 Following the final disbursement date specified in paragraph 8.1 the Bank shall return any remaining balance of the Contributions to the Donors or to the relevant Donor Balance Account on a pro rata basis based on the Donors’ paid Contributions. In the event of a cancellation the Bank shall promptly return to the relevant Donor or Donors or to the relevant Donor Balance Account the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 8.2.

9. **Disclosure**

The Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, Donors consent to disclosure of this Agreement and related information on this Trust Fund.