

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

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**CONFORMED COPY**

June 30, 2010

Mr. Claudio Cortese  
Director  
Europe's Neighbour and Partner Countries Department  
The European Investment Bank  
98-100 boulevard Konrad Adenauer  
L-2950 Luxembourg

Dear Mr. Cortese:

***Trust Fund Administration Agreement among the European Investment Bank, and the International Bank for Reconstruction and Development and the International Development Association concerning the Marseille Center for Mediterranean Integration Multi-Donor Trust Fund (TF No. 071415)***

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 European Investment Bank (the "Donor") shall make available as a grant the sum of nine hundred thousand Euros (€900,000) (the "Contribution") for the Marseille Center for Mediterranean Integration Trust Fund (the "Trust Fund") in accordance with the terms of this Administration Agreement (the "Agreement"). Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.

2. We refer to the "Memorandum of Understanding among the Ministry of Foreign and European Affairs and the Ministry of Economy, Industry and Employment of the French Republic, the European Investment Bank and the International bank for Reconstruction and Development relating to the Marseille Center for Mediterranean Integration" dated June 30, 2009 that lays down the foundations, governance and structure of the Marseille Center for Mediterranean Integration.

3. 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 Marseille Center for Mediterranean Integration Trust Fund" attached hereto as Annex 1.

The Contribution shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement including the “Standard Provisions Applicable to the Marseille Center for Mediterranean Integration Trust Fund” (the “Standard Provisions”) attached hereto as Annex 2.

4. The Donor shall deposit the Contribution into such bank account designated by the Bank in installments in accordance with the following schedule:

- Promptly following countersignature of this Agreement by the Donor and upon submission of a payment request by the Bank, four hundred and fifty thousand Euros (€450,000).
- Within one year following the payment of the first installment of the Contribution and upon submission of a payment request by the Bank, three hundred thousand Euros (€300,000).
- Within two years following the payment of the first installment of the Contribution and upon submission of a payment request by the Bank, one hundred and fifty thousand Euros (€150,000).

5. When making each such deposit, the Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor for the Marseille Center for Mediterranean Integration Trust Fund (Trust Fund No. TF071415) 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](mailto:tfremitadvice@worldbank.org) or by fax sent to (202) 614-1315.

6. The Bank shall convert the Contribution funds into the holding currency of the Trust Fund, namely US Dollars promptly upon receipt of the Contribution funds and the Deposit Instruction containing the information specified in paragraph 5 at the exchange rate obtained by the Bank on the date of the conversion. Where the Contribution proves to be insufficient to complete the activities as a result of an exchange rate fluctuation, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

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

For the Bank:

Anuja Utz  
Senior Operations Officer  
MNAMI  
The World Bank  
271, Corniche Kennedy

13007 Marseille  
Email: [autz@worldbank.org](mailto:autz@worldbank.org)  
Phone: + 33-4-9199-2449

For the Donor:

Name Joyce Liyan  
Reporting and Administration Officer  
Europe's Neighbour and Partner Countries Department  
Tél.: +352 43 79 86824  
Fax: +352 43 79 66898  
Email: [j.liyan@eib.or](mailto:j.liyan@eib.or)

8. The Bank shall, until six years after the final disbursement date of Contribution funds as specified in Section 8.1 of Annex 2 to this Agreement:

- (a) keep financial and accounting documents concerning the activities financed by the Contribution under this Agreement; and
- (b) make available to the Donor upon request, all relevant financial information, including statements of accounts concerning the activities financed by the Donor under this Agreement.

9. 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.

10. 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**

By /s/ Mats Karlsson  
Director  
Center for Mediterranean Integration  
Middle-East and North Africa Region

**AGREED:**

**EUROPEAN INVESTMENT BANK**

By: /s/ Claudio Cortese  
Director, Europe's Neighbour and Partner Countries

Date: August 26, 2010

By: /s/ José M. Fernandez-Martín  
Head of Division, Legal Service, Corporate

ANNEX 1

**Description of Activities and Expenditures under the Marseille Center for Mediterranean Integration 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.

**1. DESCRIPTION OF ACTIVITIES**

1.1. The objective of the Marseille Center for Mediterranean Integration Trust Fund is to support the functioning and operation of the Marseille Center for Mediterranean Integration (“MCMI”), a multi-partner cooperative arrangement among partners across the Mediterranean to enhance collaborative efforts and partnerships in core sectors.

1.2. Bank-Executed Trust Fund Activities to be financed by the Contributions include:

- (i) Finance MCMI’s functioning and operation to promote its role in providing services and synergies for programs to be more effective and efficient.
- (ii) Support MCMI’s core activities as a network among networks, bringing its unique governance structure to support other think tanks or collaborative arrangements.

**2. CATEGORIES OF EXPENDITURE**

2.1. The Contribution may be used to finance: (a) associated overheads including Operating Costs; (b) consultant fees; (c) contractual services; (d) travel expenses; (e) extended term consultants; (f) media and workshop costs; (g) staff costs - no indirect cost allowed; (h) field assignment benefits as per the Bank’s Staff Rule 6.17; and (i) temporary support staff costs.

2.2. “Operating Costs” means the reasonable and necessary incremental expenditures related to the functioning and operation of MCMI, including, *inter alia*, the costs of: (i) lease, maintenance and operation of equipment procured or used for MCMI; (ii) consumable office supplies; (iii) communication, printing and publications; (iv) costs of translation and interpretation; and (v) acquisition of software.

**Standard Provisions Applicable to the Marseille Center for Mediterranean Integration 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 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 associated with the establishment of the Trust Fund, the Bank may, following deposit of the first Contribution from any Donor to the Trust Fund, deduct and retain for its own account from that Contribution an amount equal to and not greater than thirty-five thousand United States Dollars (US\$35,000).

3.2. 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 five percent (5 %) of each Contribution. If the contributions increase beyond what was originally expected at the time of counter-signature of this Agreement, and the administrative costs increase as a result, an additional administrative fee agreed by written agreement by the Bank and the Donors may be applied to such new contributions.

#### 4. Procurement

4.1. 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.

#### 5. Accounting and Financial Reporting

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

5.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in US Dollars 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 US Dollars 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.

5.3. 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 (a) 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 (b) 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.

5.4. 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. Progress Reporting

6.1. 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 8.1, the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

6.2. 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.

6.3. The Bank will ensure that reports, publications, press releases and updates relevant to the Trust Fund are communicated to the Donor promptly following their issuance. Financial reports may be made available on the World Bank's Trust Funds Donor Centre secure website.

6.4. The Donor may request reasonable additional information, or clarification in respect of progress reports, on a case by case basis, providing the reasons for the request. Such information shall be supplied within forty-five days of the request.

6.5. The Bank and the Donor will endeavor to maintain close collaboration and exchange of information of the Project.

## 7. Liability

7.1. The Donor will not be responsible for the activities of any person or third party engaged by the Bank as a result of the Agreement nor will the Donor be liable for any costs incurred by the Bank in terminating the engagement of any such person.

## 8. Disbursement; Cancellation; Refund

8.1. It is expected that the Contributions will be fully disbursed by the Bank by June 30, 2013. 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.

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 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 Donors the Donor's pro rata share of uncommitted Contributions in accordance with paragraph 8.2.

9. Dispute Resolution

9.1. The parties shall endeavor to settle amicably any dispute or complaint relating to the interpretation, application or fulfillment of the Agreement, including its existence, validity or termination. In default of amicable settlement, any party may refer the matter to arbitration in accordance with the Permanent Court of Arbitration's Optional Rules for Arbitration Involving International Organisations and States in force at the date of this Agreement.

9.2. The language to be used in the arbitral proceedings shall be English. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration following a written request submitted by any party. The Arbitrator's decision shall be binding on all parties to the arbitral proceedings and there shall be no appeal.

9.3. Nothing in this Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any party hereto by its constituting documents or international law.

10. 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.

