

# **DRAFT TEMPLATE**

(November 2, 2009)

**CGIAR**

## **Trust Fund Administration Agreement**

**Between**

**THE INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**and**

**THE [NAME OF DONOR]**

**Dated**                      , 2009

This is an initial working draft for discussion purposes only and should not be viewed as seeking to state or anticipate the specific views or requirements of the prospective signatories. This draft was produced by the CGIAR Secretariat at the request of certain donors and specifically in the interest of soliciting feedback with respect to donor requirements and expectations. It has not been coordinated with or reviewed by any CGIAR partners [Members], including prospective donors to the Fund, the trustee of the Fund and the Alliance. The final version of this agreement will reflect significant inputs expected from these and other sources, as well as any changes necessary to ensure alignment with CGIAR Document on Reform, which includes the Strategy and Results Framework, the Joint Declaration and the M&E Framework.

[Date]

[Name \_\_\_\_\_]  
[Title \_\_\_\_\_]  
[Office \_\_\_\_\_]  
[Address \_\_\_\_\_]  
\_\_\_\_\_  
\_\_\_\_\_

***Trust Fund Administration Agreement between [name of donor] and  
the International Bank for Reconstruction and Development  
concerning the trust fund for the CGIAR (TF No. -----)***

Dear [Mr.][Ms.] \_\_\_\_\_:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development (“IBRD” or the “Bank”) that the [ *name of donor* ] (the “Donor”) shall make available as a grant the sum of [ *amount and currency* ]<sup>1</sup> (the “Contribution”) for the CGIAR Multi-Donor Trust Fund (the “CGIAR Trust Fund”) in accordance with the terms of this Agreement. Other donors are also expected to contribute to the CGIAR Trust Fund on the terms and conditions specified in the Annexes of 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 CGIAR Trust Fund” (“Activities and Expenditures”) attached hereto as Annex 1. Annex 1 constitutes an integral part of this Administration Agreement.
3. The Contribution shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement and (i) the “Standard Provisions Applicable to the CGIAR Trust Fund” (the “Standard Provisions”) attached hereto as Annex 2, (ii) the “Governance Arrangements for the CGIAR Trust Fund” attached hereto as Annex 3. Annexes 2 and 3 constitute an integral part of this Administration Agreement.
4. The Donor shall deposit the Contribution into IBRD’s Cash Account “T” [*insert applicable account information*] maintained with [*insert applicable bank information*](or other such account as the Bank shall notify the Donor in writing), [promptly following countersignature of this Agreement by the Donor.]<sup>2</sup> [in installments in accordance with the following schedule:

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<sup>1</sup> If the Contribution is provided in a currency other than US\$, conforming changes will need to be made in this form.

<sup>2</sup> Use this version if the Contribution will be deposited in one tranche.

(a) promptly following countersignature of this Agreement by the Donor, *[insert currency and amount of contribution]*.

(b) on or before *[insert date(s)]*, *[insert currency and amount(s) of contribution(s)]*.<sup>3</sup>

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 TF No. ----- (the "CGIAR Trust Fund"), 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 Fund Division by e-mail sent to [tfremittanceadvice@worldbank.org](mailto:tfremittanceadvice@worldbank.org) or by fax sent to (202) 614-1315.

6. 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:

[Name \_\_\_\_\_  
[Title \_\_\_\_\_  
[Unit/Department \_\_\_\_\_  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Tel:  
Fax:

For the [Donor]:

[Name \_\_\_\_\_  
[Title \_\_\_\_\_  
[Office \_\_\_\_\_  
[Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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<sup>3</sup> Use this version if the Contribution will be deposited in two or more tranches.

Tel:  
Fax:

7. This Administration Agreement may be amended only by written between the Bank and the Donor; provided, however, that Annex 1 (Activities and Expenditures), Annex 2 (Standard Provisions), and Annex 3 (Governance Arrangements for the CGIAR Trust Fund) may be amended only with the written agreement of all donors contributing to the CGIAR 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**

\_\_\_\_\_  
[Name]  
[Title]<sup>4</sup>

**AGREED:**

[NAME OF DONOR]

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
<sup>4</sup> Trust Fund Agreements are signed by a Director or above, see Administrative Manual No. 1.30.

## **Description of Activities and Expenditures under the CGIAR Trust Fund**

The following description (the “Description of Activities and Expenditures”) shall be applicable to and form an integral part of all agreements (hereinafter the “Administration Agreements”) entered into between the International Bank for Reconstruction and Development (“IBRD” or the “Bank”) and donor countries and/or entities (hereinafter referred to as “Donors”) that provide funds (referred to as the “Contributions”) to be administered by the Bank as a part of the CGIAR Multi-Donor Trust Fund (the “CGIAR Trust Fund” or the “Trust Fund”).

### **A. Introduction**

1. The CGIAR consists of a global research-for-development partnership between the CGIAR Fund Council (the “Fund Council”) and the Consortium of CGIAR Centers (the “Consortium”) with the support of Donors of the CGIAR Trust Fund and advisory experts, such as the Independent Science and Partnership Council (the “ISPC”).
2. The CGIAR Trust Fund is intended to provide a single entry point that facilitates the harmonization of the funding granted by Donors with the purpose of financing the activities described under B in this Annex.

### **B. Description of Activities**

*[This section is intended to describe the activities to be financed by the Contributions based on the description of activities in the approved Trust Fund Proposal (TFP), which is currently under development by the World Bank’s pertaining units.]*

### **C. Approval and Management of Activities**

1. Each activity to be financed by funds from the CGIAR Trust Fund shall be approved by the Fund Council, following review of: (i) the funding proposals submitted by the Consortium, and (ii) the work plan and operating budget submitted by the Fund Office, and (iii) the Terms of Reference of the Independent Science and Partnership Council (the “ISPC”), respectively.
2. The activities comprised in the proposals submitted by the Consortium shall be managed by the Consortium under Consortium responsibility, fiduciary and otherwise, in accordance with the Consortium’s policies and procedures.
3. For activities financed by the CGIAR Trust Fund that are conducted by the Fund Office, the Bank applies Bank policies and procedures

4. The activities carried out by the ISPC shall be conducted in accordance to its Terms of Reference, as approved by the Fund Council.

**C. Categories of Expenditure**

*[This section describes the expenditures to be financed by the Contributions as specified in the approved TFP. The activities referred to in B in this Annex will be categorized under three funding windows: (i) unrestricted funding, (ii) program funding, and (iii) institutional funding.]*

**D. Amendments to this Annex 1**

1. Any amendment to this Annex 1 shall directly apply on a prospective basis to: (i) funds available to the Bank but not yet transferred or committed by the Bank, (ii) funds already transferred to the Consortium but not yet expended or committed by the Consortium, and (iii) funds yet to be transferred to the Consortium; provided that in the case of (ii) and (iii) the Bank notifies the Consortium of any such amendment promptly following its effectiveness, under the terms of the Transfer Agreement to be entered into between the Bank and the Consortium, without requiring further amendment thereof.

### **Standard Provisions Applicable to the CGIAR Trust Fund**

The following provisions (the “Standard Provisions”) shall be applicable to and form an integral part of all agreements (the “Administration Agreements”) entered into between the International Bank for Reconstruction and Development (“IBRD” or the “Bank”) and donor countries and/or entities (hereinafter referred to as the “Donors”) that provide funds (referred to as the “Contributions” for the period such funds are held by the Bank) to be administered by the Bank as part of the CGIAR Multi-Donor Trust Fund (the “CGIAR Trust Fund” or the “Trust Fund”).

#### **1. Administration of the Contributions**

1.1. The Bank shall be responsible only for performing those functions specifically set forth in the Administration Agreements 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 the Administration Agreements 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. 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 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 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 the Donors, 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 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.

2.2. The Contribution funds 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.<sup>5</sup> 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 [ *amount* ] United States Dollars (US\$\_\_\_\_\_).]

3.[2.]<sup>6</sup> In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Administration Agreement, the Bank may deduct and retain for its own account <sup>7</sup>[an amount equal to \_\_\_\_\_ percent ( \_\_\_\_\_ %) of each Contribution] [an amount equal to \_\_\_\_\_ [*insert amount in holding currency of the Trust Fund*] from the Contributions]. 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. Use of Trust Fund Resources**

4.1. The Bank shall enter into Transfer Agreements with the Consortium of CGIAR Centers (the “Consortium”) consistent with the purposes of this Administration Agreement. The Consortium shall be responsible for the supervision of activities financed under the Transfer Agreements implemented by entities other than the Consortium.

4.2. The transfer of funds to finance Consortium managed activities shall be in response to request by the Consortium to the Bank through the Fund Office for the transfer of [ *specific amounts* ], based on proposals submitted by the Consortium and approved by the Fund Council in accordance with the Framework Agreement between the Consortium and the Fund Council.

4.3. Upon the disbursement by the Bank, (i) the Consortium will have responsibility to the Donors or the Fund Council for its handling of the Funds, and (ii) the Bank will have no responsibility to the Donors or the Fund Council or otherwise for the Consortium’s handling of the funds and the activities carried with the Trust Fund funds. The Consortium shall disburse and supervise the Trust Fund funds in accordance with the regulations, rules, procedures and administrative practices of the Consortium.

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<sup>5</sup> Add this paragraph when the standard cost recovery fee applies. The setup fee applies per trust fund and not per donor and must be stated in USD.

<sup>6</sup> Any modification to this paragraph must be cleared by CSRRM, in consultation with LEGCF.

<sup>7</sup> Refer to the TFP or grant proposal and/or consult with CSRRM to confirm the fee arrangement, including whether it should be expressed as a fixed amount or a percentage. Only one of the two bracketed options will apply. Please note that if it is expressed as a fixed amount, it will be deducted from the Contributions, whereas if it is expressed as a percentage, it will be deducted from each Contribution.

4.4. The Bank shall ensure that by entering into the agreements referred to in paragraph 4.1. of this Annex, the Consortium agrees to exercise the same care in the administration of the transferred Trust Fund funds as it exercises in the administration of its own funds, having due regard to the economy and efficiency and the need to uphold the highest standards of integrity in the administration of public funds, including the prevention of fraud and corruption.

4.5. The Bank shall ensure that by entering into the agreements referred to in paragraph 4.1. of this Annex, the Consortium agrees that the transferred Trust Fund funds shall not be used for payments (a) prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, or (b) for which corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Consortium or any subgrantee.

4.6. If the Fund Council determines that an amount of the Trust Fund funds has been used in a manner inconsistent with the provisions of this Administration Agreement, the Consortium shall, upon notice by the Fund Council to the Consortium, promptly refund such amount to the Fund Council.

## **5. Records, Accounts and Audit**

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 ensure that by entering into the agreements referred to in paragraph 4.1 in this Annex, the Consortium shall guarantee that a financial management system is maintained and financial statements are prepared and delivered to the Fund Council, in accordance with consistently applied accounting standards agreed upon between the Consortium and the Fund Council, both in a manner adequate to reflect the operations, resources and expenditures related to the activities funded by the Trust Fund.

5.3. The Bank shall ensure that by entering into the agreements referred to in paragraph 4.1 in this Annex, the Consortium shall agree to prepare and furnish interim unaudited financial reports for the activities funded by the Trust Fund to the Fund Council not later than [*number of days*] after the end of each [*quarter or half year*], in form and substance agreed upon between the Consortium and the Fund Council.

5.4. The Bank shall ensure that by entering into the agreements referred to in paragraph 4.1 in this Annex, the Consortium shall agree to have its annual financial statements for the activities funded by the Trust Fund audited by independent auditors in accordance with consistently applied auditing standards agreed upon between the Consortium and the Fund Council. Each such audit of the financial statements shall cover the Consortium's fiscal year (which runs from [*month/date*] to [*month/date*]) and shall be furnished to the Fund Council not later than six months after the end of such fiscal year.

5.5. The Bank shall ensure that by entering into the agreements referred to in paragraph 4.1 in this Annex, the Consortium agrees to (i) retain all records evidencing expenditures related to the activities funded by the Trust Fund until at least one year after the Fund Council has received all the audited financial statements [ *covering the term of the Transfer Agreement* ]; and (ii) allow the representatives of the Fund Council to examine such records, and provide all such information concerning such records as they may from time to time reasonably request.

## **6. Reports**

6.1 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance of the Trust Fund with respect to the Contributions via the World Bank's Trust Fund 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 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.

6.2. 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.

6.3 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.

6.4. The Bank shall report to the Fund Council annually [*unless otherwise agreed between the Bank and the Fund Council*], on the status of allocation of funding recorded by the Bank, commitments, transfers and receipts of funds in the Trust Fund, broken down by [*i.e. expenditure category*].

6.5. The Bank shall ensure that by entering into the agreements referred to in paragraph 4.1 in this Annex, the Consortium will submit to the Fund Council an activities report for the [*insert the period covered by the report*] no later than [*insert date*], plus an interim activities report not later than [*insert number of days*] after the end of each [quarter] [half year] summarizing the activities funded by the Trust Fund. The report[s] should (a) be no more than [*number*] pages in length and written in clear, concise

English; (b) specify the activities, results, milestones, deliverables and issues in relation to the Trust Fund; (c) report on results; (d) provide explanations of any variations; (e) report on any problems or issues either current or in the foreseeable future; and (f) describe what actions have been or may be taken to overcome such problems. Additional information may be provided in attachments as necessary.

**7. Start Date; Disbursement Deadline; Cancellation; Refund**

7.1. No disbursement from the Trust Fund will be made for payments for expenditures prior to the date of effectiveness of this Administration Agreement, provided [ \_\_\_\_\_ ].

7.2. It is expected that the Contribution funds will be fully disbursed by the Bank in accordance with the provisions of the Administration Agreements by [ *insert date* ]. The Bank shall only disburse Trust Fund funds for the purposes of the Administration Agreements after such date with the written approval of the Fund Council.

7.3. Any Donor or the Bank may, upon three [ *insert period of time* ] prior written notice, cancel all or part of the Donor's pro rata share of any remaining balance of the Trust Fund that is not committed pursuant to any agreements entered into between the Consortium and any consultants and/or other third parties for the purposes of the Administration Agreements prior to the receipt of such notice, including the Transfer Agreement.

7.4. Following the final disbursement date specified in paragraph 7.2 in this Annex, the Bank shall return any remaining balance of the Trust Fund, and any funds returned by the Consortium in accordance with the Transfer Agreements referred in paragraph 4.1 in this Annex, to the Donors on a pro rata basis based on each Donor's Contributions relative to the sum of all Donors' Contributions. In the event of a cancellation of an individual Donor's pro rata share of uncommitted funds in the Trust Fund in accordance with paragraph 7.3 in this Annex, the Bank shall return such cancelled balance in the Trust Fund at the time to the Donor on the same pro rata basis.

**8. Disclosure; Remedies**

8.1. The Donor consents that the Bank may disclose the Administrative Agreement, annual reports of the Trust Fund and any other information on the Trust Fund in accordance with the Bank's policy on disclosure of information.

8.2. All Donors collectively through the Fund Council and based on consensus may ask the Bank to withhold disbursements in case of (a) substantial deviations from work plans and budgets approved by the Fund Council; (b) failure of Consortium to provide reports required under the Transfer Agreements referred to in paragraph 4.1 of this Annex; or (c) evidence of financial mismanagement of activities managed by the Consortium.

8.3. The Donors will have the rights specified in this Administration Agreement with the ability to seek direct recourse against the Consortium at any time for any enforcement or breach of the Transfer Agreements referred to in paragraph 4.1 of this Annex; provided that any such enforcement will require the consensus of the members of the Fund Council and will be undertaken by a Donor specifically designated by the Fund Council to act on its behalf for this purpose (the “Remedies Representative Donor”). The purpose of this clause is to enable the Donors to seek direct enforcement or recourse against the Consortium with respect to any unmet or breached obligations, including but not limited to the intended use of the Trust Fund funds; provided, however that in respect of funds already disbursed or irrevocably committed to the [ *center/program/activity*] or any other third party in accordance to this Agreement, the Consortium’s repayment to the Donors will be limited to the amount repaid by [ *center/program/activity*] or any such third party.

## **9. Termination**

9.1. In the event that the Fund Council shall cease making allocations from the outstanding balance of the Trust Fund pursuant to the terms of the Framework Agreement between the Consortium and the Fund Council, the Bank shall continue to administer the Trust Fund after the date of cessation of allocation by the Fund Council until [ *insert date*], pursuant to the [ *World Bank Board Approval*].

9.2. The Bank may terminate its role as administrator of the Trust Fund at any time after giving the Fund Council [ *Number of Days* ] notice in writing. Following termination, the Bank shall carry on no business for the Trust Fund except for the purpose of winding up its affairs. The Bank shall, in consultation with the Fund Council 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 Bank.

### **Governance Arrangements for the CGIAR Trust Fund**

The following description (the “Governance Arrangements for the CGIAR Trust Fund”) shall be applicable to and form an integral part of all the Administration Agreements entered into between the International Bank for Reconstruction and Development (“IBRD” or the “Bank”) and donor countries and/or entities (hereinafter referred to as the “Donors”) that provide funds (referred to as the “Contributions”) to be administered by the Bank as part of the CGIAR Multi-Donor Trust Fund (the “CGIAR Trust Fund” or the “Trust Fund”).

1. The Fund Council, comprising representatives of the Donors contributing to the Trust Fund and other stakeholder members, is the decision-making body of the CGIAR. The Fund Council oversees the use of the Trust Fund funds, representing the Donors and has fiduciary responsibility for the use of such funds.
2. The Fund Council reports to Donors on the use of their funds and the achieved results, informing Donors on future funding prospects. The Fund Council also appraises the performance of the Consortium in meeting its obligation relying on the reports provided by the Consortium and takes corrective actions on behalf of the Donors.
3. The Fund Council meets in person [*twice a year* ] [*in the last quarter of the calendar year*], and may meet more often in special meetings.
4. The Chair of the Fund Council is [*nominated by the World Bank President from among the Vice-Presidents of the World Bank*] after consultation with the Donors.
5. The Chair leads the conduct of the Fund Council’s business, chairs Fund Council meetings, represents the CGIAR Fund in external forums and supervises the Fund Office on behalf of the Fund Council.
6. The Fund Office is the support unit for the Fund Forum, Fund Council and the respective chair. The Fund Office is led by a Director who serves as Executive Secretary of the Fund Council.
7. The Fund Office serves as liaison with the Bank, the Consortium and the Independent Science and Partnership Council (the “ISPC”). It also provides support for meetings and communications. The Fund Office does not have fiduciary, monitoring or oversight responsibilities regarding the use of the Trust Fund funds.
8. The work program and operating budget of the Fund Office is subject to approval by the Fund Council and is financed through the CGIAR Trust Fund.

9. The ISPC has a advisory role regarding future programs and activities to be financed by the CGIAR Trust Fund. The ISPC reports to the Fund Council and informs the Fund Council and the Consortium of its analysis and recommendations.

DRAFT