This Administration Agreement is concluded under Direct Management in the context of the Framework Agreement between the World Bank Group and the European Commission dated April 15, 2016 which sets the general conditions for this Agreement (the “Framework Agreement”). The Framework Agreement shall be applicable and form an integral part of the Administration Agreement for the Trust Fund.

1. The International Bank for Reconstruction and Development (the “Bank”) acknowledges that the European Commission (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of seventy-five thousand Euros (€ 75,000) (the “Contribution”) for the Part II Europe 2020 Programmatic Single-Donor Trust Fund, (No. TF073245) (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is seventy-five thousand Euros (€ 75,000). The indicative budget set out in Annex 5 shall be used for monitoring purpose only and shall not be binding.

2. The Contribution shall be used to finance the activities set forth in the “Part II Europe 2020 Programmatic Single-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.

Expected results of the Trust Fund and corresponding indicators (including baselines, result goals and sources of data) are set out in Annex 4.

The implementation period shall start on the date following that on which the last of the two parties signs.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank:

   (A) Promptly following countersignature – € 67,500
   (B) Final payment of the balance € 7,500

The period for payment of further instalments shall be 60 days.
The period for payment of the balance shall be 60 days.

4. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF No. TF073245 (the Part II Europe 2020 Programmatic Single-Donor Trust Fund), the Commission internal reference number and the date of the Administration Agreement, the name of the project for which the funds are intended, the name of the Commission department responsible for the Trust Fund and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

5. Except with respect to the Deposit Instructions, 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”):

Arup Banerji  
Regional Director  
European Union  
Avenue Marnix 17, 2nd floor, 1000 Brussels  
World Bank Group  
Tel: + 32-2-504-0994  
abanerji@worldbank.org

For the Donor (the “Donor Contact”):

Peter Sandler,  
Director, Directorate A  
Directorate-General for TRADE  
European Commission  
CHAR 07/119  
B-1049 Brussels.

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, unless otherwise agreed with the Bank.

7. All annexes hereto and the Framework Agreement between the World Bank Group and the European Commission 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. In the event of any inconsistency, the Framework Agreement prevails over the Administration Agreement and the Administration Agreement prevails over its Annexes. Unless
otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor.

8. The measures taken to identify the EU as a source of financing shall be in accordance with Attachment 4 of the Framework Agreement.

9. 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 these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: 
Name: Arup Banerji
Title: Regional Director, European Union
Date: 19 DEC. 2018

EUROPEAN UNION represented by the EUROPEAN COMMISSION

By: 
Name: Ewa Syrowiec
Title: Director, Directorate D, DG TRADE
Date: 18 DEC. 2018
PART II EUROPE 2020 PROGRAMMATIC SINGLE-DONOR TRUST FUND
DESCRIPTION

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. Objectives

The objectives of the Trust Fund are:

The European Commission and the Bank share a common objective of building competitive and sustainable economies and reducing poverty and social exclusion – goals of the Europe 2020 Agenda which is built on three pillars of smart, sustainable and inclusive growth. The European Commission and the Bank concur that direct interaction is beneficial to both institutions and through them to the beneficiary countries. This applies particularly to the provision of analytical, advisory and knowledge services and technical assistance.

The European Commission has expressed an interest in ensuring that the Bank continues to provide technical assistance in the framework of the Trust Fund in furtherance of the common objective set forth above.

2. Background

Trade openness promotes economic growth and increases productivity. The effects of international trade and globalization, however, can be different in the short, medium, and long terms. While most of the economic analysis of trade and growth focuses on the long term, short- and medium-term effects are important from policy perspectives and often stand in the way of public acceptance of trade liberalization policies. Several features can influence the effects of trade over time and space.

One important aspect on the differing impact of trade relates to the degree of geographical and inter-sectoral labor mobility, which has been found by many empirical studies.

A second aspect relevant to the different impact and transition dynamics of trade refers to institutions that can mitigate the negative effects or maximize the positive effects of trade openness. This is also the case in developed countries, where programs designed for trade adjustment show limited utilization.

3. Activities

The activities that the Bank will carry out under this Agreement would be limited to producing simple correlations and other statistics as a basis to explore the nexus between trade and poverty.
Component A:

Accordingly, the Bank will review the recent literature on the spatial effects of trade on poverty in European countries at subnational level, as well as relevant comparable evidence in other non-EU countries. Additionally, guided by the survey of the literature, the Bank will provide ex-post evaluation on the relationship between trade exposure, socio-economic indicators and poverty outcomes at the subnational level ("regions") in EU member countries.

In particular, the Bank will conduct the analysis on the basis of spatial poverty assessments previously conducted by the Bank for EU regions and outlined, inter alia, in its recent report "Rethinking CAP". The analysis carried out by the Bank will also be based on the EU Survey on Income and Living Conditions (EU-SILC) which allows for incomes and poverty analysis to be conducted both cross-sectionally and longitudinally, at higher level of geographical aggregations (NUTS)\(^1\). Other socioeconomic statistics are available by EU regions and will be used as part of the analysis carried out by the Bank, including GDP, population, labor force structure and employment, and other indicators of labor force wellbeing.

The Bank will analyze trade data which include estimates of trade flows among European NUTS-2 regions (intra-EU trade) and between EU regions and other countries (extra-EU trade). This database presents a trade matrix that includes interregional flows between 256 NUTS-2 regions belonging to 25 European countries. It also includes international trade flows involving each of these regions with 18 countries or regions outside of the EU. The data is available from 2000 to 2010 for total trade and by broad sectors, including services. The data does not represent observed trade flows, but regional estimates from national trade data and "regionalized" input-output matrices.

The Bank will also carry out the analysis on the basis of a second database which includes firm-level information (taken from trade manifests) including the address of firms trading with selected non-EU countries (e.g., the United States). This data, while only bilateral, is very granular in terms of the locality and other matched characteristics of the EU firms engaged on such exports. The data for the United States corresponds to the period December 2012 to October 2013.

Following collection of the data above-mentioned, the Bank will explore how trade exposure by sub-national areas, either in terms of total trade or bilateral trade with specific partners, is associated with socioeconomic outcomes of interest (principally, poverty). The analysis will also consider why these relationships may vary across regional units and describe these differences. To the extent allowed by the data, this will be done for both directions of trade, exports and imports. The availability of other correlates (connectivity, infrastructure, labor market characteristics or proximity to markets) can be brought in to help explain or interpret the regional results.

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\(^1\) https://ec.europa.eu/eurostat/web/nuts/background
Component B:

On the basis of the above-mentioned literature review and the data analysis, the Bank will present through a workshop the preliminary results. Following discussions with the relevant counterparts the Bank will prepare a final report on the nexus between trade and poverty in Europe, using detailed indicators at a sub-national level.

**Indicative Timeline for Delivering Outputs**

<table>
<thead>
<tr>
<th>Timeline</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analytical report on the nexus of trade and poverty in EU regions</td>
<td>*</td>
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<tr>
<td>Workshop on the preliminary results</td>
<td>*</td>
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</tbody>
</table>

4. **Eligible Expenditures**

4.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) Staff and individual consultant services;
(b) Cost of travel;
(c) Cost of training and workshop; and
(d) Other services including translation.

5. **Taxes**

5.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.

6. **Program Criteria**

6.1 Activities are to be financed in accordance with the following program criteria:

The Trust Fund is established to enable the European Commission and the Bank to continue to collaborate and exchange experience and expertise on a number of themes under all three pillars of the Europe 2020 Agenda of smart, sustainable and inclusive growth. The express purpose of this Trust Fund is to allow the European Commission to avail itself of the Bank’s technical assistance and analytical and policy capacity for the purpose of pursuing the goals of Europe 2020. The three pillars of Europe 2020 are broadly in line with the objectives and strategies adopted in the Europe and Central Asia Region of the World Bank Group. All activities that are in pursuance of these three pillars are eligible to be financed and implemented under this Trust Fund.
ANNEX 2

STANDARD PROVISIONS

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

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 Donor, 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 The Donor’s 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 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 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.

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 Euro (the “Holding Currency”).

2.3 The Donor agrees to deposit its Contributions in the Contribution Currency stated in the 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 transfer all income from such investment to the Donor’s applicable donor balance account with the Bank.
3. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Instalment, an amount equal to five percent (5%) per Instalment as an administrative fee for the Trust Fund.

3.2 The 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 the Donor and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from 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 Donor current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank’s Trust Funds Development Partner 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 Donor via the World Bank’s Trust Funds Development Partner Center secure website.

4.3 The Bank shall provide to the Donor via the World Bank’s Trust Fund Development Partner 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 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 the 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.

5. **Progress Reporting**

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

5.2 The Donor may review or evaluate 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 March 31, 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 Donor) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreement(s) of the Donor. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to the 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 the Donor, all calculated as Holding Currency amounts.

6.2 The Donor may cancel all or part of such Donor’s pro rata share/contribution, and the Bank may cancel all or any Donor’s pro rata share/contribution, 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 Donor its pro rata share in the Holding Currency as specified in the Administration Agreement unless otherwise agreed between the Bank and the 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 Donor consents to such disclosure of their respective Administration Agreements and such related information.

7.2 The Donor 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.
ANNEX 3

GOVERNANCE OF THE ACTIVITIES

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

Working Modalities

In order to facilitate the implementation of the activities described in Annex 1 of this Agreement (the “Activities”), the Bank and the DG TRADE will in principle meet bi-annually to discuss the progress of the Activities, discuss next steps and any challenges or issues as they arise. The Bank may invite the DG TRADE to participate in supervision missions related to the Trust Fund, as well as implementation-related meetings and workshops as appropriate. To facilitate the organization and efficiency of such missions, meetings, and workshops the Bank may share with the DG TRADE in a timely manner any relevant documentation in accordance with the Bank’s Policy on Access to Information.

Bank team composition

The Bank shall, in its sole discretion, determine the composition of the staff assigned to perform the activities under this Agreement. The Bank will be managed by a Bank Task Team Leader with relevant experience, drawing on the expertise of the Bank staff with extensive experience in, among others, empirical analysis on international trade and poverty.

Payment Requests

Requests for payments related to the activities set forth in Section 2.1 of Annex I to this Administration Agreement will be sent by the World Bank to the Commission with the reference EC Contract No. ........52L.746497............ and shall be addressed to:

European Commission
Directorate-General for Trade
Head of Unit A1 – Resources, HR Business Correspondent and Planning
B-1049 Brussels
## ANNEX 4

### INDICATIVE RESULTS FRAMEWORK INDICATORS FOR THE ACTIVITIES IN ANNEX 1

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Baseline</th>
<th>Result goals</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact</td>
<td>Inform discussion around relationships of trade and socioeconomic outcomes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome</td>
<td>Combined information from surveys and EU Poverty Maps with subnational measures of trade</td>
<td>This builds on previous WBG work that documents spatial differences in poverty outcomes</td>
<td>Better understanding of how trade and poverty are interrelated in EU countries</td>
<td>EU-SILC; EU Poverty Maps; Regional data from EUROSTAT; Subnational estimates of trade flows; Literature</td>
</tr>
<tr>
<td>Output</td>
<td>Delivery of analytical report</td>
<td>This will be an original analysis on the topic</td>
<td>An analytical report that presents stylized facts on the nexus of trade and poverty in EU regions</td>
<td>EU-SILC; EU Poverty Maps; Regional data from EUROSTAT; Subnational estimates of trade flows; Literature</td>
</tr>
</tbody>
</table>
**INDICATIVE BUDGET FOR THE ACTIVITIES SET FORTH IN SECTION 2 OF ANNEX 1 TO THIS ADMINISTRATION AGREEMENT**

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Amount in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and individual consultant services</td>
<td>63,372</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>0</td>
</tr>
<tr>
<td>Cost of training and workshop</td>
<td>5,310</td>
</tr>
<tr>
<td>Other services (including translation)</td>
<td>2,568</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>71,250</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td>3,750</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75,000</strong></td>
</tr>
</tbody>
</table>

The amount estimated for personnel is calculated considering different levels of expertise estimated to be required for carrying out the activities described in Annex 1.

The World Bank Group entity may transfer amounts between categories of the indicative budget. This does not require an amendment of the Administration Agreement if the Action is carried out as described in Annex 1 – Trust Fund Description.