

TRUST FUND AGREEMENT

BETWEEN

THE DIRECTORATE GENERAL FOR DEVELOPMENT CO-OPERATION OF THE ITALIAN MINISTRY OF
FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION (THE DONOR)

AND

THE CENTRE INTERNATIONAL DE HAUTES ETUDES AGRONOMIQUES MEDITERRANEENES –
MEDITERRANEAN AGRONOMIC INSTITUTE OF BARI (CIHEAM-Bari)

WHEREAS the Directorate General for Development Cooperation of the Italian Ministry of Foreign Affairs and International Cooperation (hereinafter referred to as "the donor") hereby agrees to entrust the CIHEAM- Mediterranean Agronomic Institute of Bari (hereinafter referred to as "CIHEAM-Bari") to manage and administer its funds for the implementation of part the programme «Inclusive and Sustainable Value Chain Development in Oromia» (hereinafter referred to as "the Programme"), as described in the Programme Document, attached as Annex A.

WHEREAS CIHEAM-Bari is prepared to receive and administer the Contribution for the execution of the Programme on behalf of the Directorate General for Development Cooperation of the Italian Ministry of Foreign Affairs and International Cooperation.

WHEREAS the Ethiopian Ministries of Finance and Economic Cooperation, and of Agriculture and Natural Resources have been duly informed of the Contribution of the Donor to the Programme.

NOW THEREFORE, CIHEAM-Bari and the Donor hereby agree as follows:

Article I. The Contribution

1. (a) The Donor shall finance the Programme total sum of 999,915.00 Euros (nine hundred and ninety-nine thousand nine hundred fifteen/00 Euros), of which 934,500.00 Euros for direct costs and 65,415.00 Euros for indirect costs, as reported in Article IV, paragraph 1. The Contribution to CIHEAM-IAMB shall be deposited in the following bank account:

Bank Name: Banca Carime S.p.A., Agency 044 Valenzano (BA)

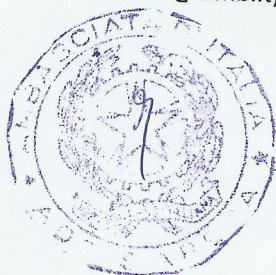
Address: Corso Aldo Moro, 70010 Valenzano (Ba)

IBAN: IT35 H0306741750000000010377

Account name: C.I.H.E.A.M. – Istituto Agronomico Mediterraneo di Bari

Swift: CARMIT31

- (b) The Donor will inform CIHEAM-Bari when the contribution is paid via an e-mail message with remittance information to Dr. Cosimo Lacirignola, Director of CIHEAM-Bari (e-mail: iamdir@iamb.it).



2. The above payment takes into account the requirement that the payment shall be made in advance of the execution of planned activities. It may be amended to be consistent with the progress of Programme delivery.
3. CIHEAM-Bari shall receive and administer the payment in accordance with the regulations, rules and directives of CIHEAM-Bari.
4. All financial accounts and statements shall be expressed in Euro. Pursuant to Article III here below, CIHEAM-Bari will provide a financial report in Euro.

Article II. Utilization of the Contribution

1. CIHEAM-Bari shall commence and continue to conduct operations under this Agreement upon signature of the CIHEAM-Bari – Oromia Bureau of Finance and Economic Development Operational Agreement, upon entering into force of this Agreement, signed by both Parties, and upon receipt of funds as set out in Article I, paragraph 1, above.
2. If unforeseen increases in expenditures or commitments arise (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), CIHEAM-Bari shall consult the Donor in order to take appropriate decisions.
3. Any interest income attributable to the contribution shall be credited to CIHEAM-Bari account and accounted for separately. It will be disposed for Programme activities upon mutual written agreement of the Parties and in accordance with established CIHEAM-Bari procedure.

Article III. Administration and reporting

1. Programme management and expenditures shall be governed by the regulations, rules, and directives of CIHEAM-Bari.
2. CIHEAM-Bari shall provide the Steering Committee of the Programme (see next Art. VII) for approval and/or for information:
 - a) A General Working Plan (GWP) within 3 months starting from the receipt of the contribution payment. The GWP shall be approved by the Steering Committee of the Programme (see next Art. VII).
 - b) Six month status reports based on the approved Programme and budget;
 - c) A final report on completion of the activities.
2. bis On completion of the Programme, CIHEAM-Bari shall provide the Donor with a certified financial statement to be submitted no later than 6 months after the financial closing of the Programme.
3. If special circumstances so warrant, CIHEAM-Bari may provide more frequent reporting whose specific nature and frequency will be mutually agreed upon by the parties in the course of the implementation and specified by means of an exchange of letters.

Article IV. Administrative and support services



1. In accordance with the decisions and directives of CIHEAM-Bari, the Contribution shall be subject to cost recovery by CIHEAM-Bari for two distinct cost categories related to the provision of support services, namely:
 - a) Indirect costs incurred by CIHEAM-Bari headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the Contribution shall be charged of a fee of 65,415.00 Euros, equal to 7% of 934,500.00 Euros.
 - b) Direct costs, equal to 934,500.00 Euros, of implementation support services (ISS), provided by CIHEAM-Bari and/or an executing entity or implementing partner. As long as they are unequivocally linked to the specific Programme, these costs are built into the Programme budget against a relevant budget line and, in the case of clearly identifiable transactional services, charged to the Programme according to standard service rates.
2. The aggregate of the amounts budgeted for the Programme, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the Programme under this Agreement.

Article V. Monitoring and Evaluation

1. All CIHEAM-Bari Programmes and Projects are evaluated in accordance with CIHEAM-Bari Evaluation Policy. CIHEAM-Bari and the relevant implementing agencies of the Government of Ethiopia in consultation with other stakeholders will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a Programme including an evaluation of its Contribution to an outcome which is listed in the Evaluation Plan. CIHEAM-Bari shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.
2. A joint monitoring of the activities financed under the aforementioned Programme code shall be undertaken by the Donor and CIHEAM-Bari.

Article VI. Equipment

1. Ownership of equipment, supplies and other properties financed from the contribution shall vest in CIHEAM-Bari. Unless otherwise indicated by the Donor in written form, following operational completion of the Programme, ownership of equipment, material and supplies shall be transferred to the relevant implementing agencies of the Government of Ethiopia.

Article VII. Implementation of the Programme

1. CIHEAM-Bari shall execute the Programme and, where necessary, may execute part of the Programme through sub-contract. The selection of subcontractors shall be made in accordance with CIHEAM-Bari rules and practices.
2. The Bureau of Finance and Economic Development of the Oromyia Region is the national partner of CIHEAM-Bari for the implementation of the Programme.



3. The Programme will be monitored by a Steering Committee (SC). The permanent members of the SC are: 1) The Ethiopian Ministry of Finance and Economic Cooperation, 2) the Italian Development Cooperation, 3) CIHEAM-Bari, 4) the Oromia Bureau of Finance and Economic Development, 5) the Oromia Bureau of Agriculture, 6) the Ethiopian Institute of Agricultural Research, 7) the Oromia Agricultural Research Institute, and 8) Woreda Offices of Agriculture and Rural Development. Other relevant stakeholders could be invited as observers. The SC will meet every 6 months (and any other time as deemed necessary) to provide a general orientation, to approve the GWP, regular reports and variations to the budget, to monitor the progress of activities. The SC shall be held in Ethiopia and the first meeting will be bound to the approval of the GWP.

Article VIII. Auditing

1. The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of CIHEAM-Bari. Should the annual Audit Report of the CIHEAM-Bari to its governing body contain observations relevant to the contributions, such information shall be made available to the Donor.

Article IX. Security Considerations

1. All personnel employed by CIHEAM-Bari for the purpose of this Programme will be granted the necessary security measures based on the CIHEAM-Bari guidelines on Security and Safety as well as rules and regulations governing staff security in the field.

Article X. Prevention of Corruption and Fraud

1. Both the Donor and CIHEAM-Bari are firmly committed to preventing and detecting fraudulent and corrupt practices. CIHEAM-Bari will use reasonable efforts to ensure that the utilization of the Contribution conforms to the highest standard of ethical conduct and that every part of the organization, as well as all individuals acting on behalf of CIHEAM-Bari, observe the highest standard of ethics and integrity.
2. CIHEAM-Bari, in accordance with its regulations, rules and directives, will ensure that any allegations of fraud and corruption in connection with the implementation of the Programme are reported to the qualified Office in a timely manner. Credible allegations will be investigated by CIHEAM-Bari in accordance with its regulations, rules, policies, procedures and best practice. CIHEAM-Bari will, in a timely manner and consistent with its regulations, rules, policies and procedures, provide details to the Donor of the outcome of substantiated allegations of fraud and corruption, along with details of action taken by CIHEAM-Bari.
3. Following the conclusion of any investigation which identifies fraud or corruption involving any activities funded in whole or in part with a Contribution made under this Agreement, CIHEAM-Bari will:
 - a. Use reasonable efforts to recover any part of the Contribution, which the qualified Office has established as being diverted through fraud or corruption;



- b. In connection with (a) above, in consultation with the qualified office, give proper consideration to referring the matter to the appropriate authorities of the State where the fraud or corruption is believed to have occurred; and
- c. As required by the Donor, and following consultations between the Parties, reimburse to the Donor any part of the Contribution which CIHEAM-Bari has recovered further to sub-section (a) above, or credit it to a mutually agreed activity.
4. Any information provided to the Donor in relation to any matters arising under the Article shall be treated by the Donor as strictly confidential.
5. Any action further to the above paragraphs shall be consistent with CIHEAM-Bari regulations, rules and directives.

Article XI. Completion of the Agreement

1. CIHEAM-Bari shall notify the Donor when all activities relating to the Programme have been completed. Temporal extensions to the Programme are possible, if necessary and by agreement between the parties, for the successful implementation of the activities.
2. Notwithstanding the completion of the Programme, CIHEAM-Bari shall continue to hold unutilized funds from the contribution until all commitments and liabilities incurred in implementation of the Programme have been satisfied and Programme activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, CIHEAM-Bari shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.
4. Any payment, that remain unexpected after such commitments and liabilities have been satisfied as reported in the final Financial Report, shall be reimbursed to the Donor unless otherwise agreed by the Parties.
5. In cases where the Programme is completed in accordance with the Programme document any funds below 5,000 Euro (five thousand Euros) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by CIHEAM-Bari. Any funds above 5,000 Euro (five thousand Euros) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by CIHEAM-Bari after consultation with the Donor.

Article XII. Termination of the Agreement

1. This Agreement may be terminated by CIHEAM-Bari at a ninety days written notice to the other party.



2. Notwithstanding the termination of the Agreement, CIHEAM-Bari shall continue to hold any unutilized contribution until all commitments and liabilities have been satisfied and Programme activities brought to an orderly conclusion.

Article XIII. Amendment of the Agreement

1. The agreement may be amended through an exchange of letters between the Donor and CIHEAM-Bari. The letters exchanged to this effect shall become an integral part of the agreement.

Article XIV. Entry into Force

1. This agreement enters into force upon signature by both parties. It will remain in force until completion of all obligations of the parties under this agreement.

Article XV. Dispute Resolution

1. Any dispute, controversy or claim arising out of or in relation to this Agreement, or the breach, termination or invalidity thereof, shall be settled amicably by negotiation between the parties. In the event that such negotiation is unsuccessful, either party may submit the dispute to arbitration. The arbitration will be carried out in accordance with the UNCITRAL arbitration rules. The arbitral award will be final and binding.

Article XVI. Miscellaneous Provisions

1. Nothing in this Agreement affects the privileges and immunities enjoyed by CIHEAM-Bari.

Article XVII. Visibility

1. The use of official logo and name of the Donor should be used by CIHEAM-Bari along with its own one in view of providing proper visibility to the Programme Activity. CIHEAM-Bari must acknowledge the contribution of the Donor to the Programme in any advertising or publicity connected with the Programme.

Article XVIII. Notice

1. Any notice or information relating to the Programme activities as well as reports and other documentation shall be addressed to:

Donor:

Dr.ssa Ginevra Letizia
Director
UTL Addis Ababa
c/o Embassy of Italy, Villa Italia
P.O. Box 1105
Addis Ababa, Ethiopia
ginevra.letizia@esteri.it
Tel: +251 11 123 9600

CIHEAM-Bari:

Dr. Cosimo Lacirignola
Director
CIHEAM-Bari
Via Ceglie 9
70010 Valenzano (BA)
Italy
iamdir@iamb.it
Tel: +39 0804604209
Fax: +39 0804604206



IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.



For the Donor

Giuseppe Mistretta
Ambassador of Italy in Ethiopia

Date: 02 DEC 2015

For the CIHEAM/Bari

Cosimo Lacirignola
Director



Date: 26 /11 /2015