

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

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[Date]

[Name _____]
[Title _____]
[Office _____]
[Address _____]

Trust Fund Administration Agreement between [name of donor] and the International Bank for Reconstruction and Development concerning the Carbon Asset Development Fund Multi-Donor Trust Fund (CADF Multi-Donor Trust Fund) (TF No. TF071156)

Dear [Mr.][Ms.] _____:

WHEREAS, this Administration Agreement is entered into by the International Bank for Reconstruction and Development (“**IBRD**”) acting as the Trustee of the Carbon Asset Development Fund, (hereinafter referred to as the “**Trustee**” or the “**Bank**”) and _____ [*insert name of the donor*] (the “**Donor**”), (the Donor together with the Bank, hereinafter referred to as the “**Parties**”) concerning the CADF Multi-Donor Trust Fund (the “**CADF**” or the “**Trust Fund**”);

WHEREAS, through the Instrument Establishing the Carbon Partnership Facility dated October 10, 2006, as amended from time to time (the “**Instrument**”), the Bank has established the Carbon Partnership Facility (the “**CPF**” or the “**Facility**”) consisting of two funds: (i) the Carbon Fund and the (ii) Carbon Asset Development Fund; with the main objective of supporting greenhouse gas emissions mitigation programs that are strategic and entail transformational interventions in various sectors in developing countries and countries in economies in transition;

WHEREAS, the Donor wishes to become a contributor to the CADF Multi-Donor Trust Fund;

WHEREAS the contribution from the Donor and other donors to the CADF, together with the CADF Charge paid by Buyer Participants in the Carbon Fund, any investment income generated by the Prepaid Contribution Fund, any investment income generated by the Carbon Fund, and any investment income generated by the CADF itself constitute the sources of funds available for the CADF (hereinafter called “**CADF Funds**”).

NOW THEREFORE, the Bank and the Donor agree as follows:

Article I The Instrument

1.1. The Parties to this Administration Agreement agree to be bound by the relevant provisions of the Instrument, which is incorporated into this Administration Agreement by reference.

1.2. Capitalized terms hereinafter appearing in this Administration Agreement, but not otherwise defined, shall have the same meaning as that ascribed to them in the Instrument.

Article II The Contribution

The Donor hereby makes available as a grant the sum of _____ million Euro (€_____) (the “**Contribution**”) for the CADF Multi-Donor Trust Fund. Other donors are also expected to contribute to this Trust Fund according to the terms and conditions specified in the annexes to this Agreement.

Article III Purpose of the Contribution

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 CADF Multi-Donor Trust Fund*” attached hereto as Annex 1. Annex 1 constitutes an integral part of this Agreement.

Article IV Administration of the Contribution

The Contribution shall be administered by the Trustee on behalf of the Donor in accordance with the terms of this Administration Agreement and the “*Standard Provisions Applicable to all CADF Funds*” (the “**Standard Provisions**”) attached hereto as Annex 2. The Standard Provisions constitute an integral part of this Agreement.

Article V Deposit of the Contribution

5.01. The Donor shall deposit the Contribution 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 Trustee] [in accordance with the following schedule:]

- (a) upon countersignature of this Agreement by the Donor and submission of a payment request by the Trustee, [insert currency and amount of contribution].

(b) on *[insert date(s)]*, upon submission of a payment request by the Trustee, *[insert currency and amount(s) of contribution(s)]*.¹

5.02. When making 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 TF071156 (**CADF Multi-Donor Trust Fund**), and the date of the deposit. In addition, the Donor shall provide a copy of the Donor's deposit instruction to the Trustee's Accounting Trust Funds Division by e-mail sent to tfermitadvice@worldbank.org or by fax sent to (202) 614-1315.

[5.03] [Immediately upon receipt of the Contribution funds, the Trustee shall convert such funds into United States dollars]²

Article VI Contacts and Coordination

The offices responsible for coordination of all matters related to the implementation of this Agreement are:

For the Trustee:

[IBRD acting as Trustee of the CADF]
[Carbon Partnership Facility Coordinator]
[ENVCF]
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel:

Fax:

For the Donor:

[Name _____]
[Title _____]
[Office _____]
[Address _____]

¹ Use this version if the Contribution will be deposited in two or more tranches. Modify the tranche release conditions as necessary in accordance with the TFP.

² Include this paragraph if the currency of the Contribution is different from the holding currency of the trust fund.

Tel:
Fax:

Article VII Amendment

This Agreement may be amended only by written agreement between the Trustee and the Donor; provided, however, that Annex 1 (Description of Activities and Expenditures) and Annex 2 (Standard Provisions) to this Agreement may only be amended with the agreement of all Donors contributing to this Trust Fund and Buyer Participants.

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 Trustee 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]

[Name³ _____]
[Name of Unit/Dept] _____

AGREED:

[NAME OF DONOR]

By: _____

Date: _____

Name: _____

Title: _____

³ Trust Fund Agreements are signed by a Director or above, see Administrative Manual No. 1.30.

Description of Activities and Expenditures under the CADF Multi-Donor Trust Fund

A. DESCRIPTION OF ACTIVITIES

The CADF Multi-Donor Trust Fund will finance the following:

(i) Recipient-Executed Grants:

Subject to availability of funds in the CADF and compliance with all Bank's operational policies and procedures, CADF Funds will provide financial support to Seller Participants, Host Country governments and entities authorized by the Host Countries for the development of Programs and, to a limited extent, focused assistance to the above parties in creating an enabling environment for the generation of Emission Reductions.

Once a program proponent signs a Seller Participation Agreement, it may apply for a CADF grant to assist with program preparation expenses, notably preparation of the Project Design Document (PDD) and the monitoring plan, and, if applicable, costs incurred by the Seller Participant in the development of a new baseline and monitoring methodology. A Host Country government or other authorized representatives and any other entities as may be invited by the Trustee of the CADF may also apply for a CADF grant at the time of signing a Partnership Memorandum of Understanding with the Trustee of the CADF, and as the case may be, Trustee of the Carbon Fund for the purposes of upstream identification and development of Emission Reduction Programs or work on the enabling environment.

(ii) General Management and Administration of the Facility

The Trustee may use CADF Funds to pay or reimburse itself or any other person for costs and expenses incurred in the development, including development of baseline and monitoring methodologies, implementation and supervision of Programs and the general administration of the Facility as described in Article 18.3 of the Instrument.

(iii) Capacity Building / Knowledge Sharing

CADF Funds may, at the Trustee's discretion, also be used to provide capacity building support consistent with the objectives of the Facility to the Seller Participants, Host Country governments and entities authorized by the Host Countries, e.g., in relation to

institutional capacity necessary for successful implementation of Programs, to disseminate information and knowledge generated through the operation of the Facility.

B. CATEGORIES OF EXPENDITURE

- (i) For activities implemented directly by the Bank (“**Bank-Executed Activities**”), the Contribution funds may be used to finance (a) associated overheads, (b) short term consultant fees, (c) contractual services, (d) extended term consultants, (e) staff costs, and (f) travel expenses.

- (ii) For activities implemented by an entity other than the Bank (“**Recipient-Executed Activities**”), the Contribution funds may be used to finance (a) consulting; (b) other, (c) goods, (d) components (e) civil works, (f) operating costs and (g) training

**STANDARD PROVISIONS
APPLICABLE TO ALL CADF FUNDS UNDER THE CADF**

The following provisions (hereinafter referred to as “**Standard Provisions**”) shall be applicable to the administration of all funds under the CADF which include (i) the CADF Charge paid by Buyer Participants and transferred to the CADF, (ii) any investment income generated by the Prepaid Contribution Fund and transferred to the CADF, (iii) any investment income generated by the Carbon Fund and transferred to the CADF, (iv) any investment income generated by the CADF itself and (v) the Contribution from various Donors to the multi-donor trust fund (“**CADF Multi-Donor Trust Fund**”) established by the Bank for the CADF (together referred to as “**CADF Funds**”) and shall form an integral part of all Buyer Participation Agreements and Administration Agreements. Unless defined otherwise herein, capitalized terms used in the Standard Provisions shall have the meaning ascribed to them in the Instrument establishing the Carbon Partnership Facility (“**Instrument**”).

1. Administration of the CADF Funds

The IBRD acting as Trustee of the CADF (hereinafter referred to as the “**Trustee**” or the “**Bank**”) shall be responsible only for performing those functions specifically set forth in the Instrument and the Standard Provisions 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 Standard Provisions 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.

2. Commingling, Exchange and Investment of the CADF Funds

2.1. The CADF Funds shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The CADF Funds may be commingled with other trust fund assets maintained by the Trustee.

2.2. The CADF Funds may be freely exchanged by the Trustee into other currencies as may facilitate their disbursement.

2.3 The Trustee shall invest and reinvest the CADF Funds pending their disbursement in accordance with the Trustee’s policies and procedures for the investment of trust funds administered by the Trustee. The Trustee shall credit all income from such investment to the CADF Multi- Donor Trust Fund to be used for the same purposes as the CADF Funds.

3. Grants to Recipients

3.1. The Trustee may, as administrator of the CADF and in accordance with the Instrument and any additional documents related thereto, enter into grant agreements (the “**Grant Agreements**”) with one or more entities (the “**Recipients**”) for the provision of CADF Funds.

3.2. The Trustee shall be solely responsible for the supervision of activities financed under the Grant Agreements.

4. Employment of Consultants and Procurement of Goods

The employment and supervision of consultants and the procurement of goods financed by the CADF Funds, if any, shall be the responsibility solely of the Trustee and shall be carried out in accordance with its applicable policies and procedures. The Grant Agreements shall provide that the CADF Funds shall be used by the Recipients to prepare Programs under the CPF subject to 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 the Grant Agreements.

5. Accounting and Financial Reporting

5.1. The Trustee shall maintain separate records and ledger accounts in respect of the CADF Funds deposited in the CADF account and disbursements made therefrom.

5.2. The Trustee shall provide, for information purposes, to all Participants and Donors, an annual financial statement prepared on a Modified Cash Basis of Accounting. The financial statement shall be audited by the Bank's auditor as appointed from time to time.

6. Withdrawal; Refund

6.1. It is expected that the CADF Funds will be fully disbursed by the Trustee in accordance with the provisions of the CADF Multi-Donor Trust Fund agreement by December 31, 2024. The Trustee shall only disburse CADF Funds for the purposes of CADF after such date with the written approval of the Donors.

6.2. In case a Donor or Buyer Participant withdraws its respective participation in the Facility in accordance with the terms of the Administration Agreement or Article 15 of the Instrument, respectively, the Trustee will, subject to the Administration Agreement or Article 15 of the Instrument, as the case may be, return to such Buyer Participant or Donor on a pro rata basis any remaining balance of the CADF Charges or Donor Contributions, as the case may be, that is not committed by the Trustee.

6.3. Upon closure of the CADF, the Trustee shall return any remaining balance of the CADF Funds to the Donors and Buyer Participants on a *pro rata* basis in accordance with Section 24 (a)(iii) of the Instrument.

7. Disclosure

The Trustee will disclose the Administration Agreements and information on the CADF Multi-Donor Trust Fund in accordance with the World Bank's Policy on Access to Information. By entering into this Agreement, Donors consent to disclosure of this Agreement and related information on the CADF Multi-Donor Trust Fund.