Mr. Helge Semb  
Managing Director  
Nordic Development Fund  
P.O. Box 185  
FIN-00171 Helsinki, Finland

Trust Fund Administration Agreement between the Nordic Development Fund and the International Bank for Reconstruction and Development concerning the Africa NDF Climate Change Program Single-Donor Trust Fund (TF071810)

Dear Mr. Semb:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD" or the "Bank") that the Nordic Development Fund ("NDF" or the "Donor") shall make available as a grant the sum of two million, four hundred thousand Euros (€ 2,400,000) (the "Contribution") for the Africa NDF Climate Change Program Trust Fund (the "Trust Fund") in accordance with the terms of this Agreement.

2. **Activities and Expenditures Financed by the Contribution**

   The Contribution shall be used to finance the activities and the categories of expenditure in accordance with the terms set forth in the "Description of Activities, Expenditures and Governance Arrangements for the Africa NDF Climate Change Program Trust Fund" attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement.

3. **Administration of the Contribution**

   3.1. 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 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 Agreement shall be considered a waiver of any privileges or immunities of the IBRD under its Articles of Agreement or any applicable law, all of which are expressly reserved.

   3.2. 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.

4. **Deposit of the Contribution**

4.1. 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 Bank.

4.2. 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 TF071810 (the Africa NDF Climate Change Program 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 Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

5. **Commingling, Exchange and Investment of the Contribution**

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

5.2. The Contribution may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

5.3. The Bank shall invest and reinvest the Contribution pending its 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 Contribution.

6. **Administrative Cost Recovery**

6.1. 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 Contribution by the 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).

6.2. 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, following deposit of the Contribution, 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, the Donor acknowledges that an additional administrative fee may apply to such new contributions.

7. **Procurement**

7.1. The employment and supervision of any consultants and the procurement of any goods financed by the Contribution shall be the responsibility of the Bank and shall be carried out in accordance with its applicable policies and procedures.
8. **Accounting and Financial Reporting**

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

8.2. The Bank shall furnish to the Donor current financial information relating to receipts, disbursements and fund balance in Euro of the Trust Fund with respect to the Contribution 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 Euro of the Trust Fund with respect to the Contributions will be made available to the Donor via the World Bank's Trust Funds Donor Center secure website.

8.3. The Bank shall provide to the Donor, 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.

8.4. 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 paid by the Donor.

9. **Progress Reporting**

9.1. The Bank shall provide the Donor with a semi-annual report on the progress of activities financed by the Contribution. Within six (6) months of the final disbursement date specified in paragraph 10.1, the Bank shall furnish to the Donor a final report on the activities financed by the Trust Fund. The Bank shall also provide the Donor with other information regarding the activities financed, as the Donor may reasonably request, to the extent the disclosure of such information conforms to the World Bank Policy on Access to Information.

9.2. The 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.

10. **Disbursement; Cancellation; Refund**

10.1. It is expected that the Contributions will be fully disbursed by the Bank by June 30, 2015. The Bank shall only disburse the Contribution for the purposes of this Agreement after such date with the written approval of the Donor.

10.2. The Donor or the Bank may, upon three (3) months’ prior written notice, cancel all or part of any remaining balance of the Contributions 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 Agreement prior to the receipt of such notice.

10.3. Following the final disbursement date specified in paragraph 10.1, the Bank shall return any remaining balance of the Contributions to the Donor Balance Account based on the Donor’s paid Contributions. In the event of a cancellation the Bank shall promptly return to the Donor Balance Account the Donor’s uncommitted Contributions in accordance with paragraph 10.2.

11. Communication and Addresses

Except as provided for in paragraph 4.2 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: Nagaraja Rao Harshadeep
Title: Senior Environmental Specialist
Unit: AFTEN
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: 202 473-9173
Fax: 202 477-0515
E-mail: harsh@worldbank.org

For the Donor:

Name: Mr. Helge Semb
Title: Managing Director
Nordic Development Fund
P.O. Box 185
FIN-00171 Helsinki,
Finland

Tel: 358 10 618 002
Fax: 358 9 622-1491
E-mail: info.ndf@ndf.fi

12. Amendment

All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the Bank and the Donor.
13. 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, the Donor consents to disclosure of this Agreement and related information on this Trust Fund.

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

[Signature]
Jamal Saghir
Director
Sustainable Development Department
Africa Regional

AGREED:

NORDIC DEVELOPMENT FUND
By: [Signature]
Date: 25.4.2012
Name: HELGE SENS
Title: MANAGING DIRECTOR

By: [Signature]
Date: 25.4.2012
Name: LEENA KLOSSNER
Title: DEPUTY DIRECTOR
ANNEX 1

Description of Activities, Expenditures and Governance Arrangements for the Africa NDF Climate Change Program Trust Fund

This Annex shall be applicable to, and form an integral part of, the agreement entered into between the Bank and the Donor that provides one or more contribution (the aggregate of all contributions from the Donor, the “Contributions”) to be administered by the Bank for the Trust Fund.

I. DESCRIPTION OF ACTIVITIES

The objectives of the Program are: (i) to strengthen development planning processes in African countries to integrate climate change risk; (ii) the design of emission reduction efforts; and (iii) to develop innovative financing packages for implementation of priority measures.

The Program consists of the following parts:

A. Production of sub-regional and country specific technical studies, synthesis papers and reports.

B. Specialized technical assistance in different climate change related areas.

C. Organization of training, stakeholder consultation workshops and information dissemination.

The Bank and the NDF have agreed on, and the NDF’s Board of Directors has approved, that the Contribution shall finance the following activities:


II. CATEGORIES OF EXPENDITURE

The Contributions may be used to finance: (a) Consultant fees individuals and firms; (b) Contractual services; (c) Media, workshop, conference and meetings; (d) Travel expenses; (e) Associated overheads; (f) Temporary support staff costs; and (g) Extended term consultants. The Contributions shall not be used to finance any costs related to permanent Bank staff.
III. GOVERNANCE ARRANGEMENTS

1. The Bank and NDF shall meet once a year, and more often as needed and mutually agreed to by the two parties, to agree on a annual work plan and to review the state of implementation of the overall program.

2. New activities can be added to the Program on a rolling basis and as jointly agreed by NDF and the Bank. The Trust Fund Agreement will be amended as necessary in light of such new additions.

3. Selected activities will respond to the countries national priorities and be jointly identified by the Bank and NDF. These activities will be guided by the Africa Climate Change Strategy and Environment Action Plan, the respective Country Assistance Strategies and linked to relevant existing Climate Change Programs and to the NDF Climate Change Strategy and the NDF guidelines on Identification and Screening of Climate Projects.

4. Eligible areas of support under the proposed Africa NDF Climate Change Program are aligned with the general NDF focus area: infrastructure and energy; natural resources management; and climate change related capacity building.

5. The eligible beneficiary countries under this Program are: Benin, Burkina Faso, Cape Verde, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Rwanda, Senegal, Tanzania, Uganda, Zambia and Zimbabwe. Regional activities may be eligible provided 50% or more of the project costs are used for activities implemented in two or more of the eligible countries.

6. Activities under the Program are subject to workflow arrangements and good practice for establishing and managing trust funds, as described in the World Bank Trust Fund Handbook.

7. Within the Bank, the Africa Region (AFTEN) is the managing unit. AFTEN Sector Manager will oversee the overall program, which will be coordinated by a Task Team Leader (TTL) assigned by AFTEN and referred to as “Africa NDF Climate Change Program Coordinator”. Each activity / component will be supervised by an assigned staff member from the relevant unit, referred to as “Activity TTL”.

8. Supervision guidelines for Bank’s projects will apply, and at least two (2) supervision missions will be concluded yearly for each of the proposed activities / components.