Mr. Hugo von Meijenfeldt  
Director for International Affairs  
Ministry of Infrastructure and the Environment  
Plesmanweg 1-6  
2597 JG The Hague  
The Netherlands

Dear Mr. Hugo von Meijenfeldt,

Re: Agreement between The State of The Netherlands and the International Bank for Reconstruction and Development (“IBRD”) concerning the CDCF Holding Trust Fund (TF No. 052012)

1. Introduction

We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development (the “IBRD”) the intention of the State of The Netherlands, acting through the Ministry of Infrastructure and the Environment (“the Netherlands”), to make available to the IBRD grant funds of US$ 725,000 (seven hundred twenty five thousand United States Dollars) (the “Contribution”) to be held by the IBRD in the CDCF Holding Trust Fund (the “CDCF Holding Trust Fund”) (TF No. 052012) pending subsequent transfer to the Community Development Carbon Fund (the “CDCF”) (TF No. 050998). Other donors are also expected to contribute to the CDCF Holding Trust Fund.

The Netherlands wishes to contribute to the CDCF Holding Trust Fund in furtherance of the Netherlands’ participation in the CDCF. In particular, the Netherlands has:

a) entered into a Participation Agreement with the IBRD for the CDCF (dated July 9, 2003), as amended; and

b) deposited with the IBRD the amount of US$ 2,346,341.58 to the CDCF under the Participation Agreement.

Now, under the terms of this Letter of Agreement, the Netherlands requests the IBRD to apply its Contribution to the CDCF Holding Trust Fund, to be administered by the IBRD on the terms and for the purposes set forth in this Letter of Agreement. Any investment income earned on the Contribution is to be deposited into the CDCF Technical Assistance Fund.
2. **Use of the Contribution**

The Contribution shall be used for the purposes described in this Letter of Agreement and in the attachment hereto, and the Donor authorizes the IBRD to use the Contribution funds for such purposes. The administration and use of the Contribution will be subject to the provisions of this Letter of Agreement and to the “Standard Provisions Applicable to Donors to the CDCF Holding Trust Fund” (the “Standard Provisions”) forming part of this Letter of Agreement (Annex One).

3. **Deposits and Allocation**

The Contribution to be made available by the Netherlands under this Letter of Agreement will be an amount of US$ 725,000 (seven hundred twenty five thousand United States Dollars), to be deposited within 30 days of the receipt of a demand for payment issued by the IBRD to the Netherlands. The payment shall be made in United States Dollars and credited to the account designated by IBRD in the demand for payment. When making any deposits, 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 052012 (Community Development Carbon Fund – Holding 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.

4. **Duration of Holding Trust Fund**

The IBRD will administer the CDCF Holding Trust Fund until either the CDCF has been terminated or until such time as the Contribution has been fully transferred from the CDCF Holding Trust Fund in accordance with this Agreement, whichever is earlier.

5. **Coordination**

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

For the State of The Netherlands:

Attention: Mr. Ferry van Hagen  
Directorate for International Affairs  
Ministry for Infrastructure and the Environment  
Plesmanweg 1-6  
2597 JG The Hague  
The Netherlands  
Telephone: +31-70-456.6470  
Electronic Mail: ferry.vanhagen@minienm.nl
For the IBRD:

Attention: Brice Quesnel  
Senior Carbon Finance Specialist  
Climate Policy and Finance Department,  
1818 H Street, N.W.  
Washington, D.C. 20043  
Telephone: +1 202 458-9701  
Facsimile: +1 202 522-7432  
Electronic Mail: bquesnel@worldbank.org

We propose that this letter shall, upon your confirmation in the manner indicated below, constitute an agreement between the Netherlands and the IBRD.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Joëlle Chassard  
Manager, Carbon Finance Unit

CONFIRMED AND AGREED:

THE STATE OF THE NETHERLANDS

Mr. Hugo von Meijenfeldt  
Director for International Affairs

Date: 28-06-2013
ANNEX

CDCF Holding Trust Fund

Standard Provisions Applicable to Donors

The following provisions (the "Standard Provisions") will apply to all agreements entered into between the International Bank for Reconstruction and Development ("IBRD") and donor countries and/or organizations (the "Donors") that provide grants (the "Contributions") to the IBRD for the CDCF Holding Trust Fund.

1. Use of Contributions and Investment Income

(a) The Contributions provided to the CDCF Holding Trust Fund:

(i) will be provided by IBRD to the CDCF in accordance with paragraph 2 below;

(ii) will be accounted for by IBRD as a single trust fund and will be kept separate and apart from the funds of the IBRD;

(iii) may be commingled with other trust fund assets maintained in the T-Account; and

(iv) will be invested by IBRD pending their disbursement in accordance with IBRD's policies and procedures concerning the investment of trust funds administered by IBRD.

(b) The IBRD will transfer the income from any investment of the funds in the CDCF Holding Trust Fund to the CDCF Technical Assistance Fund on a monthly basis.

2. Transfers from the CDCF Holding Trust Fund to the CDCF

IBRD will draw down from the CDCF Holding Trust Fund and transfer to the CDCF the amounts specified in the demands for payments made by IBRD in accordance with the CDCF Instrument, on the dates such amounts are payable by the Donor to the CDCF.

Draw-downs to the CDCF from the CDCF Holding Trust Fund will only take place after the notice required by the CDCF Instrument has been given by IBRD to the designated representative of the Donor. Such draw-downs from the CDCF Holding Trust Fund to the CDCF will be in satisfaction of the obligations undertaken by the Donor under the Participation Agreement with regard to the payment of its required contribution to the CDCF.

3. Express Obligations Only

IBRD shall be responsible only for performing those functions specifically set forth herein and shall not be subject to any other duties or responsibilities to any 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 herein 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.

4. Financial Statements

(a) The IBRD shall maintain separate records and ledger accounts in respect of the funds deposited in the CDCF Holding Trust Fund and disbursements made therefrom.

(b) The IBRD shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the IBRD’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the CDCF Holding Trust Fund have been satisfied and the CDCF Holding Trust Fund has been closed, the final financial information relating to receipts, disbursements and balance of the CDCF Holding Trust Fund in United States Dollars with respect to the Contributions shall be made available to the Donors via the IBRD’s Trust Funds Donor Center secure website.

(c) The IBRD shall provide to the Donors via the IBRD’s Trust Fund Donor Center secure website, within six (6) months following the end of each IBRD fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the IBRD’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 IBRD’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the IBRD.

(d) If a Donor wishes to request, on an exceptional basis, a financial statement audit by the IBRD’s external auditors of the CDCF Holding Trust Fund, the Donor and the IBRD shall first consult as to whether such an external audit is necessary. The IBRD and the Donor shall accept on the appropriate scope and terms of reference of such audit. Following acceptance on the scope and terms of reference, the IBRD shall arrange for such external audit. The costs of any such audit, including the internal costs of the IBRD with respect to such audit, shall be borne by the requesting Donor.

5. Effectiveness

The arrangements provided for herein will enter into force on the day of signature by both parties and will remain in force, unless terminated by mutual agreement of the IBRD and the Donor, until all funds provided by the Donor under this Agreement are fully withdrawn from the CDCF Holding Trust Fund.

6. Disclosure

The IBRD may disclose the Letter of Agreement to which the Standard Provisions apply (including the Standard Provisions) and information relating to the CDCF Holding Trust Fund in accordance with its disclosure policy.
7. **Termination**

Any remaining Contribution funds and investment income in the CDCF Holding Trust Fund will be returned to the Donors on a pro rata basis and the IBRD's functions hereunder in relation to that Donor will be considered terminated.