BUYER PARTICIPATION AGREEMENT

between

THE KINGDOM OF SPAIN

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AS TRUSTEE OF THE CARBON FUND AND THE CARBON ASSET DEVELOPMENT FUND OF
THE CARBON PARTNERSHIP FACILITY

regarding the
Second Tranche of the
Carbon Fund of the Carbon Partnership Facility

Whereas:

A. THE KINGDOM OF SPAIN submitted a letter to the International Bank for Reconstruction
and Development ("IBRD") acting as Trustee of the Carbon Fund ("Trustee of the Carbon
Fund") of the Carbon Partnership Facility ("CPF") dated September 5, 2008 ("Expression of
Interest") in which it expressed its interest in participating as Buyer Participant in the Carbon
Fund of the Carbon Partnership Facility ("Carbon Fund"); and

B. The Trustee of the Carbon Fund, after having reviewed the Expression of Interest, has
determined that THE KINGDOM OF SPAIN is an Eligible Buyer Participant of the Carbon
Fund.

THE KINGDOM OF SPAIN, as Buyer Participant in the Second Tranche of the Carbon Fund
(hereinafter referred to as "Buyer Participant"), and the IBRD acting as Trustee of the Carbon Fund
and as trustee of the Carbon Asset Development Fund ("Trustee of the CADF") of the CPF (together
referred to as "Trustees") agree to enter into this Agreement on the terms and conditions set forth
below:

I. DEFINITIONS

Section 1.1 Unless defined otherwise herein, capitalized terms used in this Agreement, shall
have the meaning ascribed to them in the Instrument, and the terms set forth below shall have the
following meanings:

(a) "Additional Contribution" means the Buyer Participant’s contribution to the Second
Tranche of the Carbon Fund that is in addition to its initial Contribution;
II. THE INSTRUMENT

The parties to this Agreement agree to be also bound by the terms and conditions of the Instrument. The Instrument shall be an integral part of this Agreement.

III. PURCHASE OF INTEREST IN THE CARBON FUND

Section 3.1 The Buyer Participant and the Trustee of the Carbon Fund agree that the Buyer
Participant hereby purchases an interest in the Second Tranche of the Carbon Fund on the terms and conditions set forth in this Agreement ("Interest").

**Section 3.2** The Buyer Participant acknowledges that in the event that at the time the Trustee intends to enter into any ERPA, the Buyer Participant has no rating or does not have a rating of Baa or higher by Moody’s Investor Services Limited, a rating of BBB or higher by Standard and Poor’s Rating Services, or a rating of BBB or higher by Fitch’s Ratings the Trustee may, prior to entering into such ERPA, demand that such Buyer Participant (i) prepay that portion of the amount of its Contribution that corresponds to such Buyer Participant's pro rata share of the amount payable by the Trustee under such ERPA by entering into a Prepaid Contribution Fund Agreement or (ii) provide an irrevocable standby letter of credit, in form and substance satisfactory to the Trustee, issued from a financial institution acceptable to the Trustee for such amount of its Contribution drawable over the term of the ERPA or such other form of security for such amount as is acceptable to the Trustee. If the Buyer Participant fails to make any such pre-payment or provide such letter of credit or other form of security within thirty (30) days following such demand from the Trustee, Section 14.2 of the Instrument shall apply. Any such pre-payment shall be considered a Prepaid Contribution and Section 7.4 of the Instrument shall apply.

**Section 3.3** The Trustees and the Buyer Participant hereby agree that this Agreement shall not become effective unless and until the Trustee of the Carbon Fund has received an executed Note covering the amount of the Contribution.

**Section 3.4** The Buyer Participant acknowledges that the Interest is subject to the restrictions on transfer and other terms and conditions set forth in this Agreement and those set forth in the Instrument. The Interest may not be offered for sale, pledged, sold, assigned, or transferred at any time except in compliance with the terms and conditions of the Instrument and the Buyer Participant bears the risk of its Contribution and Additional Contribution, if any, for an indefinite period of time.

**Section 3.5** The Buyer Participant hereby agrees to make a contribution of EURO 9,661,976.50 (NINE MILLION SIX HUNDRED SIXTY ONE THOUSAND NINE HUNDRED SEVENTY SIX Euros and FIFTY Cents) to the Second Tranche of the Carbon Fund ("Contribution"), equivalent to the capital that has not been committed under the First Tranche of the Carbon Fund and being not less than the Minimum Contribution required under the Instrument.

**Section 3.6** The Tranche Property in the Second Tranche shall be fully disbursed by the Trustee by June 30, 2024, unless otherwise decided by the Trustee of the Carbon Fund and the Buyer Participants in the Second Tranche.

**IV. PAYMENT OF CONTRIBUTIONS**

**Section 4.1** The Buyer Participant shall pay its Contribution through the issuance and delivery of a Note to the Trustee of the Carbon Fund in the amount of EURO 9,661,976.50 (NINE MILLION SIX HUNDRED SIXTY ONE THOUSAND NINE HUNDRED SEVENTY SIX Euros AND FIFTY Cents).
Section 4.2 Except as otherwise provided for in the Instrument and without prejudice to Section 4.3 below, Demands for Payment shall be issued by the Trustee of the Carbon Fund to the Buyer Participant on a pro rata basis, at the Trustee of the Carbon Fund's sole and absolute discretion, having regard to the financial requirements of the Second Tranche of the Carbon Fund, including, but not limited to, any anticipated payments to parties under Emission Reductions Purchase Agreements entered into by the Trustee for the Carbon Fund.

Section 4.3 The Buyer Participant shall not pay any CADF Charge to the Trustee of the Carbon Fund for Contributions in full in cash transferred from the First Tranche to the Second Tranche.

Section 4.4 In advance of any Demand for Payment by the Trustee of the Carbon Fund, the Buyer Participant will be entitled to prepay up to the entire amount of its Contribution as Prepaid Contribution into the Prepaid Contribution Fund in accordance with Section 7.4 of the Instrument and subject to the terms and provisions of the Prepaid Contribution Fund Agreement to be entered into prior to payment of any Prepaid Contribution to the Prepaid Contribution Fund. Any interest generated by the Prepaid Contribution Fund shall be transferred to and administered by the Trustee of the CADF to support the implementation of the CADF.

Section 4.5 The Trustee of the CADF shall administer the CADF Charge and any interest generated by the Prepaid Contribution Fund in accordance with the Instrument and the Standard Provisions.

V. ADDITIONAL CONTRIBUTIONS

Section 5.1 Concurrently with, or after the receipt of the Note covering the amount or the full cash of the Contribution by the Trustee of the Carbon Fund, the Buyer Participant and the Trustee of the Carbon Fund may agree that the Buyer Participant makes an Additional Contribution to the Second Tranche of the Carbon Fund and enter, together with the Trustee of the CADF, into an Amendment to the Participation Agreement for an Additional Contribution in accordance with Section 7.2(c) of the Instrument.

Section 5.2 The Buyer Participant and Trustee of the Carbon Fund acknowledge and agree that the Buyer Participant shall not be obligated to make any Additional Contributions and the Trustee of the Carbon Fund shall not be obligated to accept any offer of the Buyer Participant to make an Additional Contribution.

Section 5.3 The Trustees and the Buyer Participant hereby agree that any Amendment to the Participation Agreement for an Additional Contribution shall not become effective unless and until the Trustee of the Carbon Fund has received an executed Note covering the amount of the Additional Contribution.

Section 5.4 Article IV of this Agreement shall apply to the payment of Additional Contributions, including the CADF Charge, which shall be shall be paid fifteen (15) days after the effectiveness of the Amendment to the Participation Agreement for an Additional Contribution. All Additional Contributions made by the Buyer Participant shall be subject to the terms and conditions of this Agreement and of the Instrument.
Section 5.5 Without prejudice to Section 4.3, the Buyer Participant shall pay to the Trustee of the Carbon Fund the CADF Charge, being an amount equal to 6.8% on the first EURO 33,000,000 (THIRTY THREE MILLION Euros) of any Additional Contribution, and equal to 9% of the Contribution thereafter, to be transferred to and administered by the Trustee of the CADF to fund the CADF in accordance with Section 7.5 of the Instrument. The CADF Charge shall be paid in three equal installments in three consecutive years, as follows: (i) the first installment shall be paid fifteen (15) days after the effectiveness of this Agreement; (ii) the second installment shall be paid thirty (30) days after receipt by the Buyer Participant of written notice from the Trustee of the Carbon Fund of the first anniversary of Operational Date of the Second Tranche; and (iii) the third installment shall be paid thirty (30) days after receipt by the Buyer Participant of written notice from the Trustee of the Carbon Fund of the second anniversary of the Operational Date of the Second Tranche.

VI. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE TRUSTEES

Section 6.1 The Trustees represent and warrant that:

(a) Each of them has all necessary power and authority to act as Trustee of the Carbon Fund and as Trustee of the CADF respectively; and

(b) The individual signing this Agreement on behalf of the Trustees is an authorized signatory of the IBRD.

Section 6.2 The Trustees undertake to discuss with the Buyer Participant the composition and functions of the Partnership Committee prior to opening of subsequent Tranches.

VII. REPRESENTATIONS, WARRANTIES, ACKNOWLEDGMENTS AND COVENANTS OF THE BUYER PARTICIPANT

Section 7.1 The Buyer Participant hereby represents, warrants, acknowledges and agrees with the Trustees as follows:

(a) There is no guarantee that Emission Reduction Programs or any Emission Reductions generated by the Emission Reduction Programs of the Carbon Fund or otherwise contracted for by the Trustee of the Carbon Fund will be recognized, documented, confirmed, certified, approved, credited, supported, registered, accounted for or agreed to by any Governmental Authority.

(b) In participating in the Second Tranche of the Carbon Fund, the Buyer Participant hereby assumes the risks referred to in the Information Memorandum including, but not limited to, the following:

(i) The Kyoto Protocol may not be extended into a second commitment period and any related agreement adopted by any Governmental Authority may not enter into force for whatever reason, including reasons that were unforeseen or unexpected at the time this Agreement is entered into or those reasons that would otherwise qualify as force majeure, and any other current or future facts, circumstances or developments may
prevent the CPF from achieving its objectives or otherwise materially affect Programs of the Carbon Fund or the Emission Reductions generated by Programs of the Carbon Fund or otherwise contracted for by the Carbon Fund, or the markets for those Emissions Reductions;

(ii) In case an International Agreement is not agreed upon or does not provide for the generation of project or Program-based Emission Reductions or any national or regional regime limits or prohibits the use of post-2012 Emission Reductions, the market for ERs may decrease or even cease to exist and ERs generated by Programs may lose its value or may not be eligible for compliance purposes under such national, regional or international regulatory regimes, including emissions trading schemes;

(iii) There is no guarantee that Emission Reductions generated from Programs of the Carbon Fund will be recognized by the UNFCCC, any regime under the auspices of the UNFCCC, or any other national, regional or international regulatory system;

(iv) The investment in Programs, rather than individual projects, is a relatively new area, with few Programs being registered as such in accordance with the International Rules to date. The rules for creating a Program introduce several new concepts into the regulatory system, many of which are yet to be tested in practice. As the area develops, the rules may well evolve over time, potentially having an adverse impact on the ability of Programs under the CPF to generate ERs. Given the uncertainty around the CDM and JI rules post-2012 and the lead times involved in implementing Programs, there may be limited ability to create and utilize ERs created by such Programs;

(v) A Program is made up of multiple underlying Program activities. A Program activity is a single measure, or a set of interrelated measures, to reduce greenhouse gas emissions. If any relevant Governmental Authority identifies an error that disqualifies a Program activity from inclusion into the Program, the Program activity may be excluded from the Program. The consequences of such exclusion includes that the excluded Program activity may not be re-included again in that or any other Program and the inclusion of new Program activities and the issuance of Emission Reductions for that Program may be put on hold; and

(vi) Any regulatory regime enacted or adopted by any Governmental Authority, including, but not limited to, those regulating, relating to or applicable to climate change, commodities, securities or Emission Reductions, may limit or prevent the Carbon Fund or the Buyer Participant from generating, creating, contracting, producing, selling, transferring, assigning, allocating, distributing, controlling, holding, mortgaging, pledging, disposing, using, benefiting or deriving benefits from, or owning Emission Reductions.

(c) The Interest being purchased by the Buyer Participant is purchased for the account of the Buyer Participant only and not with a view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein by subdivision or otherwise. The Buyer Participant also understands that there will be no public market for the Interests and that it may not be possible for the Buyer Participant to liquidate its Interest. The Buyer Participant
is prepared, therefore, to hold its Interest indefinitely.

(d) The Buyer Participant has received and carefully reviewed the Information Memorandum and the Instrument, as each may be supplemented, revised or amended, prior to the date hereof, this Agreement, and all appendices, schedules and attachments to each of the foregoing, understanding that each such document supersedes all prior versions thereof and any inconsistent portions of previously distributed materials relating to the Carbon Fund. Based on this review, the Buyer Participant has determined that the Interest being purchased for herein is suitable for the Buyer Participant. The Buyer Participant recognizes that participation in the Carbon Fund involves certain risks and it has taken full cognizance of and understands all of the risk factors, including those described in the Information Memorandum relating to the purchase of an Interest.

(e) The Buyer Participant acknowledges that Contributions and Additional Contributions, if any, to the Carbon Fund have to be agreed upon with the Trustee of the Carbon Fund, that no Governmental Authority has passed upon the Interest or made any finding or determination as to the fairness of the Contribution and Additional Contribution, if any, made hereunder.

(f) The Buyer Participant has or will have all necessary power and authority (i) to enter into this Agreement, any Amendment to the Participation Agreement for Additional Contribution, any Note issued and, if any, the Prepaid Contribution Fund Agreement, (ii) to purchase an Interest in the Carbon Fund in the amount of its Contribution and any Additional Contribution, if any, and (iii) to participate in the Carbon Fund.

(g) The Buyer Participant has or will have duly authorized, executed and delivered this Agreement, any Amendment to the Participation Agreement for an Additional Contribution, any Note issued and, if any, the Prepaid Contribution Fund Agreement.

(h) The Buyer Participant acknowledges that the tax consequences to the Buyer Participant of a Contribution and an Additional Contribution, if any, in the Carbon Fund may depend on its circumstances and that the Buyer Participant should consult with its own tax advisor regarding any and all applicable national, federal, state, and local tax considerations applicable to such contributions to the Carbon Fund. The Buyer Participant is relying solely upon the advice of its own tax and legal advisors, and shall not rely upon the general discussion set forth in the Information Memorandum with respect to such matters.

(i) The Buyer Participant has no need for the liquidity of its Contribution and Additional Contributions, if any, and has sufficient knowledge and experience in financial and business matters, as well as the relevant applicable environmental matters, together with sufficient resources, to analyze and evaluate the merits, risks and suitability of the Carbon Fund in the context of its financial position and particular circumstances.

(j) The Buyer Participant has conducted such investigation and analyses of the Trustees and the CPF, participation in the CPF, and environmental and other issues affecting the Trustees and the CPF as it deems necessary to arrive at an independent evaluation of the Trustees and the CPF and its participation therein. The Buyer Participant understands that the Trustees have made no representation or warranty with respect to the information provided in the Information Memorandum. The Buyer Participant warrants that its decision to participate in the CPF is not
the result of any reliance upon the IBRD or its employees, executive directors, officers or agents for any investment, tax, legal, or other advice in connection with its decision to participate in the CPF. More specifically, but without prejudice to the generality of the foregoing, the Buyer Participant confirms that it has consulted with its own financial and legal advisors as to the risks and other considerations arising from acquiring or disposing of an Interest in the Carbon Fund such as, but not limited to, its eligibility to receive credit under the International Rules and with its tax advisors as to the possible application of income and/or other taxes of any jurisdiction applicable to it.

(k) The execution and delivery of this Agreement, any Amendment to the Participation Agreement for an Additional Contribution, any Note issued, the Prepaid Contribution Fund Agreement, if any, and any other documents executed and delivered by the Buyer Participant in connection herewith do not, and the performance and consummation of the terms and transactions set forth or contemplated herein will not contravene or result in a default under any provision of existing law or regulations to which the Buyer Participant is subject, the provisions of the charter, by-laws or other governing documents of the Buyer Participant as applicable, or any indenture, mortgage or other agreement or charter to which the Buyer Participant is a party or by which it is bound, and does not require on the part of the Buyer Participant any approval, authorization, license, or filing from or with any government board or agency that has not already been obtained.

(l) The Buyer Participant understands that the Trustees, the Facility Coordinator, their respective members, their respective affiliates and various clients advised by one or more affiliates thereof may engage in activities that are competitive with that of the CPF and agrees to such activities even though in some circumstances there may be conflicts of interests inherent therein. The Buyer Participant agrees that by acquiring an Interest, it will be deemed to have acknowledged the existence of the actual and potential conflicts of interest identified in the Information Memorandum, as specified therein, and to have waived any claim the Buyer Participant or any person claiming through it may have with respect to the existence of any such conflict of interest.

(m) The Buyer Participant understands that it has to fully disclose to the Facility Coordinator any potential conflicts of interest in accordance with Article 16 of the Instrument and may have to recuse itself from any deliberations among members of the CPF in connection with such conflicts of interest. The Buyer Participant further understands that any failure to disclose such potential conflicts of interest in a timely manner will constitute a breach of the Instrument and may result in sanctions to be determined in accordance with Article 16 of the Instrument.

(n) The Buyer Participant understands that, following the provision of information on a proposed Program, it will not, except with the Trustee’s prior written consent, undertake any competing activities as described in Section 16.2 of the Instrument.

(o) The Buyer Participant agrees to make all payments required by this Agreement, any Amendment to the Participation Agreement for an Additional Contribution, any Note issued when the same shall become due and payable and to provide any security required under this Agreement or under the Instrument.

(p) The Buyer Participant agrees to be bound by the terms and provisions of this Agreement and the Instrument in the form delivered to it which are applicable to it as a Buyer Participant, and
has read, is familiar with and understands the nature and scope of the rights and remedies provided to the Trustees in the event of the Buyer Participant's failure to pay or to secure payment of any part of its Contribution and Additional Contribution, if any, when due, and is prepared to accept the exercise against the Buyer Participant of such rights and remedies in the event of such failure on the Buyer Participant's part.

VIII. COOPERATION REQUIREMENTS

The Buyer Participant covenants to execute any other document, agreement, certification, authorization or instrument, or to take any other action, in each case as reasonably requested by the Trustees, to facilitate, effectuate, approve, support, validate, reinforce, sanction, confirm, authenticate or corroborate the registration of Programs and related projects under any Governmental Authority, the issuance of any Emission Reductions generated by any Program and related projects or otherwise contracted for by the Trustee of the Carbon Fund, and the transfer, assignment or distribution of such Emission Reductions.

IX. SURVIVAL, SUCCESSORS AND ASSIGNS

This Agreement and any Amendment to the Participation Agreement for an Additional Contribution shall be binding upon, and inure solely to the benefit of the Buyer Participant and the Trustees and their respective representatives, successors and assigns.

X. AMENDMENT

Section 10.1 This Agreement may only be amended with the written consent of the parties hereto.

Section 10.2 Any Amendment to the Participation Agreement for an Additional Contribution shall upon becoming effective, without any further action, amend this Agreement.

XI. TERMINATION

This Agreement may be terminated by written notice in accordance with the terms and conditions of the Instrument.

XII. NOTICES

All communications of the parties relating to this Agreement shall be in writing (including telex and facsimile communications), or by telephone (to be promptly confirmed in writing) or, in the case of communications to the Buyer Participant, by electronic mail. Each communication will be made to the relevant person at the address, facsimile number, telephone number or electronic mail address, from time to time designated by that party to the others for that purpose. The address, facsimile number, telephone number and electronic mail address so designated are set out below:
**XIII. MISCELLANEOUS**

**Section 13.1** The Buyer Participant shall keep confidential and not publish, disclose or otherwise divulge to anyone (and shall cause its officers, directors, employees, agents and representatives to keep confidential, and not publish, disclose or otherwise divulge to anyone) any information to which it gains access in relation to the operation of the Carbon Fund, the CADF or the CPF or as a result of its participation in the CPF, unless specifically authorized to be disclosed under the IBRD’s general disclosure policy, or as otherwise agreed in writing by the Trustees. The Trustee shall keep confidential and not publish, disclose or otherwise divulge to the public, other than the Participants in the CPF, information that is indicated as confidential by the Trustees in relation to the operation of the Carbon Fund or the CPF or commercial negotiations leading to an ERPA and the ERPA itself, in accordance with the terms of the ERPA.

**Section 13.2** The Trustee will disclose this Agreement and information on the Carbon Fund, the CADF and the CPF in accordance with the IBRD’s general disclosure policy, i.e. the World Bank’s Policy on Access to Information. By entering into this Agreement, the Buyer Participant consents to disclosure of this Agreement and related information on the Funds and the CPF.
Section 13.3 The Buyer Participant agrees that, upon demand, it will furnish promptly to the Trustees such information and execute and deliver such documents as may reasonably be required by the Trustees to comply with, or to confirm compliance with, any applicable laws or regulations or other obligations of the Trustees or the CPF.

Section 13.4 The Buyer Participant understands and agrees that the Trustee of the Carbon Fund, in its sole and absolute discretion, may at any time either withdraw and terminate the offering of the Interests in whole or in part or in respect of any particular jurisdiction if any such offering would, in the Trustee of the Carbon Fund's opinion, adversely affect the operations or objectives of the Carbon Fund.

Section 13.5 Words importing the singular number hereunder shall include the plural number and vice versa, and any pronoun used herein shall be deemed to cover all genders.

Section 13.6 This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof.

Section 13.7 Within ten (10) days after the receipt of a written request from either Trustee, the Buyer Participant agrees to provide such information and to execute and deliver such documents as reasonably may be necessary to comply with any and all laws and ordinances to which the respective Trustee, the Carbon Fund, the CADF or the CPF is subject to.

Section 13.8 The representations and warranties of the Buyer Participant set forth herein shall survive the sale of any Interest to the Buyer Participant pursuant to this Agreement.

Section 13.9 Every provision of this Agreement is intended to be severable, and if any term or provision herein is held to be illegal or invalid for any reason whatsoever in any jurisdiction, such illegality or invalidity shall not affect the validity of the remainder hereof or of such term or provision in any other jurisdiction.

XIV. EXECUTION IN COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.
IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Agreement on the date set forth below.

KINGDOM OF SPAIN  
MINISTRY OF ECONOMY AND COMPETITIVENESS

By: ____________________________

Name: Fernando Jiménez Latorre.

Title: Secretary of State for Economic and Business Affairs

Date: July 31, 2013

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ACTING AS TRUSTEE OF THE CARBON FUND AND AS TRUSTEE OF THE CARBON ASSET DEVELOPMENT FUND OF THE CARBON PARTNERSHIP FACILITY

By: ____________________________

Name: Joëlle Chassard

Title: Manager, Carbon Finance Unit

Date: June 11, 2013
ATTACHMENT A
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 IBRD shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

5.2. 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 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 Donors via the IBRD’s Trust Funds Donor Center secure website.

5.3. 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.

5.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the IBRD’s external auditors of the 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.
5.5 The IBRD shall make available to the Donors copies of all financial statements and auditors’ reports received by the IBRD from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the IBRD’s Access to Information Policy.

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 June 30, 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 may disclose the Administration Agreements and information on the CADF Multi-Donor Trust Fund in accordance with the Trustee’s policy on disclosure of information.