Hans-Peter Egler  
Head Trade Promotion  
State Secretariat for Economic Affairs SECO  
Economic Cooperation and Development  
Federal Department of Economic Affairs,  
Education and Research EAER  
Holzikofenweg 36, CH-3003 Bern  
Switzerland

Dear Mr. Egler:

Re: Trust Fund Administration Agreement between the Federal Department of Economic Affairs, Education and Research EAER of Switzerland and The International Bank for Reconstruction and Development concerning the Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (TF No. 071860)

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD" or the "Bank") that the Federal Department of Economic Affairs, Education and Research EAER of Switzerland (the "Donor"), shall make available, subject to credit authorization by the Swiss Federal Parliament, as a grant the sum of Two Million and Five Hundred Thousand United States Dollars (US$2,500,000) (the "Contribution") for the Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (WAVES) (the "Trust Fund") in accordance with the terms of this Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.

2. 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 Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (WAVES)” 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 including the “Standard Provisions Applicable to the Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (WAVES)” (the “Standard Provisions”) attached hereto as Annex 2. As stated in Annex 2, Standard Provisions, Section 5.2, the Bank will furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website.
3. The Donor shall deposit the Contribution into such bank account designated by the Bank in installments in accordance with the following schedule:

(a) On or before April 30, 2013, US$100,000 and submission of a payment request by the Bank.
(b) On or before April 30, 2014, US$1,150,000 and submission of a payment request by the Bank.
(c) On or before April 30, 2015, US$1,250,000 and submission of a payment request by the Bank.

4. When making such deposits, 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 TF No. 071860 (the Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (WAVES)), 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. Except as provided for in paragraph 4 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: Glenn-Marie Lange
Title: Senior Economist
Agriculture and Environmental Services
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: (202) 473-2735
Fax: (202) 477-0565
E-mail: glange1@worldbank.org

For the Donor:

Name: Hans-Peter Egler
Title: Head, Trade Promotion
State Secretariat for Economic Affairs SECO
Economic Cooperation and Development
Federal Department of Economic Affairs, Education and Research EAER
Holzikofenweg 36
CH- 3003 Berne

Switzerland
Tel. +41 31 323 08 13
Fax +41 31 322 86 30
Email: hans-peter.egler@seco.admin.ch

8. All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the Bank and the Donor; provided, however, that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.

9. 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 a fully signed Agreement, this Agreement will become effective as of the date of the countersignature (“Date of Effectiveness”).

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]
Rachel Kyte
Vice President
Sustainable Development Network

AGREED:

By: [Signature] Date: 4/20/2013
Name: Johann Schneider-Amman
Title: Federal Councilor
ANNEX 1

Description of Activities and Expenditures under the Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund (WAVES)

This Annex will be applicable to and form an integral part of all arrangements entered into between the Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

The activities to be financed by the Trust Fund are:

Component 1. Implementing ecosystem accounting at national or sub-national level in several developing and developed countries

1.1. Establishing an institutional structure to guide ecosystem accounting.
1.2. Coordinating in-country implementers.
1.3. Building capacity for ecosystem and comprehensive wealth accounts.
1.4. Constructing ecosystem and comprehensive wealth accounts

Component 2. Incorporating natural capital accounting in policy analysis and development planning

2.1. Building support and local capacity for analysis in partner countries.
2.2. Implementing policy analysis.
2.3. Providing policy inputs; develop outreach materials.
2.4. Holding annual workshops with broad-based participation.

Component 3. Developing standardized guidelines for ecosystem accounting for global implementation

3.1. Establishing and coordinating a Technical Experts Group to guide development and implementation of methodologies for ecosystem accounting to ensure cohesion, consistency and scalability of country studies.
3.2. Contributing guidelines for ecosystem accounting to the revised Handbook of the System of Environmental and Economic Accounting.

Component 4. Promoting the adoption of ecosystem and natural capital accounting beyond the WAVES partner countries

4.1. Establishing a broad platform for knowledge sharing and capacity building.
4.2. Conducting a review of country experiences with environmental accounts.
4.3. Participating in international forums that promote natural capital accounting.
B. CATEGORIES OF EXPENDITURE

For Bank-Executed activities the Contributions may be used to finance:

(a) Associated overheads;
(b) Consultant fees individuals and firms;
(c) Extended term consultants;
(d) Media, workshop, conference and meeting;
(e) Staff Costs with indireccts;
(f) Temporary support staff costs;
(g) Travel expenses;
(h) Contractual services; and
(i) Equipment and office premises lease cost.

For Recipient-Executed activities, the Contributions may be used to finance:

(a) goods;
(b) services; and
(c) operating costs and any other allowable expenditures.

The foregoing categories of expenditures may include the financing of taxes.
ANNEX 2

Standard Provisions Applicable to the WAVES - Wealth Accounting and Valuation of Ecosystem Services Multi-Donor Trust Fund

This Annex will be applicable to and form an integral part of all arrangements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

1. Administration of the Contributions

1.1. The Bank will be responsible only for performing those functions specifically set forth in this Arrangement and will not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or commitments that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Arrangement will 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.

1.2. The Contribution will 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 commitments 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 commitments 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 will it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

2. Commingling, Exchange and Investment of the Contributions

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

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

2.3. The Bank will invest and reinvest the Contributions pending their disbursement in accordance with the Bank’s policies and procedures for the investment of trust funds administered by the Bank. The Bank will credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.
3. **Administrative Cost Recovery**

3.1 In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, the Bank may deduct and retain for its own account an amount equal to two percent (2%) of each Contribution. In addition, costs for program management and administration as defined in Annex 1 up to a maximum of 10.7 percent (10.7%) of the contribution will be charged to the Trust Fund on an actual basis. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration arrangement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

4. **Procurement**

4.1. The employment and supervision of any consultants and the procurement of any goods financed by the Contributions will be the responsibility of the Bank and will be carried out in accordance with its applicable policies and procedures.

5. **Accounting and Financial Reporting**

5.1. The Bank will maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund account and disbursements made therefrom.

5.2. The Bank will furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund with respect to the Contributions 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 the holding currency of the Trust Fund with respect to the Contributions will be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

5.3. The Bank will provide to the Donors, 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 will be borne by the Bank.

5.4. If a 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 will first consult as to whether such an external audit is necessary. The Bank and the Donor will decide on the appropriate scope and terms of reference of such audit. Following a decision on the scope and terms of reference, the Bank will arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, will be paid by the requesting Donor.
6. **Progress Reporting**

6.1. The Bank will provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 7.1, the Bank will furnish to the Donors a final report on the activities financed by the Trust Fund.

6.2. Any Donor may review or evaluate activities financed by the Trust Fund. The Donor and the Bank will decide on the scope and conduct of such review or evaluation, and the Bank will provide all relevant information within the limits of its policies and procedures. All associated costs will 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.

7. **Disbursement; Cancellation; Refund**

7.1. It is expected that the Contributions will be fully disbursed by the Bank by June 30, 2016. The Bank will only disburse Contributions for the purposes of this Arrangement after such date with the written approval of the Donors.

7.2. Any Donor or the Bank may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share, of any remaining balance of the Contributions that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third participants for the purposes of this Arrangement prior to the receipt of such notice, including the Grant Agreement[s].

7.3. Following the final disbursement date specified in paragraph 7.1, the Bank will return any remaining balance of the Contributions to the Donors on a pro rata basis based on the Donors’ paid Contributions. In the event of a cancellation the Bank will promptly return to the relevant Donor or Donors the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 7.2.

8. **Disclosure**

The Bank will disclose this Arrangement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Arrangement, Donors consent to disclosure of this Arrangement and related information on this Trust Fund.