Administration Arrangement between the Government of Canada, as represented by Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development and the International Bank for Reconstruction and Development and the International Development Association concerning the BioCFplus Technical Assistance and Capacity Building Multi-Donor Trust Fund (TF No. 072479)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Government of Canada, as represented by Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development (the “Donor”, and together with the Bank, the “Signatories” and each a “Signatory”) has decided to provide the sum of two million five hundred eighty three thousand five hundred and thirty one United States dollars and seventy four cents (US$2,583,531.74) (the “Contribution”) for the BioCFplus Technical Assistance and Capacity Building Multi-Donor Trust Fund, TF No. 072479 (the “Trust Fund”) in accordance with the terms of this Administration Arrangement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Arrangement.

2. The Contribution will be used to finance the activities set forth in the “BioCFplus Technical Assistance and Capacity Building Multi-Donor Trust Fund Description” attached hereto as Annex 1, and will be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Arrangement, including the “Standard Provisions” attached hereto as Annex 2 and the provisions on “Governance” attached hereto as Annex 3.

3. The Donor hereby authorizes the Bank, promptly following countersignature of this Arrangement to transfer the Contribution from the BioCF Technical Assistance Trust Fund (TF No. 052033) to this Trust Fund (TF No. 072479).

4. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Arrangement will be in writing and delivered by mail, fax or e-mail to the respective Signatory’s address specified below or at such other address as such Signatory notifies in writing to the other Signatory from time to time:

For the Bank (the “Bank Contact”):

Dan Radack
Fund Manager, BioCarbon Fund
Forests and Landscapes Climate Finance Unit
Climate Change Group
1818 H Street, N.W.
Washington, D.C. 20043
Telephone: +1 (202) 473-8003
E-mail: Dradack@worldbank.org
For the Donor (the “Donor Contact”):

Judith Gelbman
Director
Environment
Global Issues and Development
125 Sussex Drive Ottawa, Ontario, K1A 0G2
Tel: 343-203-4807
E-mail: Judith.gelbman@international.gc.ca

5. In the event any amounts are to be returned to the Donor under this Administration Arrangement, the Bank will transfer such amounts to the Donor’s donor balance account, unless otherwise agreed with the Bank. When making any deposit, the Bank will 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 Bank in relation to TF No. 072479 (the BioCFplus Technical Assistance and Capacity Building Multi-Donor Trust Fund), and the date of the deposit.

6. No member of the House of Commons of Canada will be admitted to any share or part of this Administration Arrangement or to any benefit arising therefrom.

7. No current or former public office holder or public servant of the Government of Canada who is not in compliance with the Conflict of Interest and Post-Employment Code for Public Office Holders or the Values and Ethics Code for the Public Service will derive a direct benefit from this Administration Arrangement.

8. Any transfer into the Trust Fund to be made under this Administration Arrangement is subject to there being an appropriation by the Parliament of Canada for the fiscal year in which such transfer is to be made. If the Donor’s appropriation is changed by the Parliament of Canada, the Donor may reduce the Contribution, or terminate this Administration Arrangement.

9. No offer, gift or payment, consideration or benefit of any kind, which constitutes an illegal or corrupt practice, has or will be made to anyone, either directly or indirectly, as an inducement or reward for the award or execution of this Administration Arrangement. Any such practice will be grounds for terminating this Administration Arrangement or taking any other corrective action as required.

10. All annexes hereto constitute an integral part of this Administration Arrangement, whose terms taken together will constitute the entire arrangement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Arrangement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Arrangement may be amended only by written amendment of all donors contributing to the Trust Fund.

11. Each of the Signatories represents, by confirming its acceptance below, that it is authorized to enter into this Administration Arrangement and act in accordance with its provisions. The Bank and the Donor are each requested to sign and date this Administration Arrangement, and upon possession by the Bank of this fully signed Administration Arrangement, this Administration Arrangement will become carried out as of the date of the last signature.
12. It is understood that this Administration Arrangement, including any annexes, is not an international treaty. It is an administrative arrangement between the Trustee and the Donor. All references made in the Annexes to “shall” and “Parties” will have the same meaning as the terms “will” and “Signatories” herein.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]
Name: Simon Whitehouse
Title: Acting Program Manager
        Forests and Landscapes Climate Finance
        Climate Change Group
Date: OCT 23, 2015

CONFIRMED AND AGREED:

GOVERNMENT OF CANADA AS REPRESENTED BY
THE MINISTER FOR INTERNATIONAL DEVELOPMENT
ACTING THROUGH THE
DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT

By: [Signature]
Name: Judith Gelbman
Title: Director, Environment
Date: NOV. 23, 2015
ANNEX 1

BioCFplus Technical Assistance and Capacity Building Multi-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of all administration arrangements for the Trust Fund (collectively, the “Administration Arrangements” and each an “Administration Arrangement”) between the Bank and any entities that provide any funds to the Trust Fund (collectively, the “Donors”).

1. Objectives

The objectives of the Trust Fund are:

(a) Building the capacity of local private and public sectors to facilitate and regulate carbon finance flows and develop specific projects, thus facilitating the generation of greenhouse gas emission reduction, improving the quality of life of local communities, strengthening poverty alleviation effort by the international community, and delivering a series of independently certified community development, environmental and biological diversity conservation benefits.

(b) Strengthening the role of local intermediaries in preparing and financing carbon sequestration projects eligible for carbon finance, and in identifying portfolios of eligible projects for support by the BioCF Trust Fund.

2. Activities

The activities to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

(a) Capacity building for project entities
(b) Capacity building for project entities# focused on A/R and REDD+ monitoring
(c) UNFCCC Negotiations and Other Meetings
(d) Knowledge Management
(e) Methodology Development
(f) Contribution to the creation of carbon asset from land use / agriculture projects
(g) Program management and administration activities for the Trust Fund, including but not limited to, supporting any program governance arrangements and Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.

2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility:

Project Capacity Building
3. **Eligible Expenditures**

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) contractual services;
(b) media, workshops, conferences and meetings;
(c) travel expenses;
(d) short-term consultants and temporaries;
(e) extended term consultants and temporaries; and
(f) staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries).

For purposes of this section: (i) “staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)” includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; (ii) “extended term consultants and temporaries” includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) “short term consultants and temporaries” includes fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures.

3.2 For Recipient-executed activities, the Trust Fund funds may be used to finance:

(a) consulting;
(b) training; and
(c) workshops and media.

4. **Taxes**

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.

5. **Retroactive Financing**

5.1 The Trust Fund funds may be used to retroactively finance payments for eligible expenditures made as of September 11, 2015 in accordance with the Bank’s applicable policies and procedures.
Standard Provisions

This Annex shall be applicable to and form an integral part of all Administration Arrangements between the Bank and the respective Donors.

1. **Administration of the Contributions**

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Arrangement 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 this Administration Arrangement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor’s Contribution (collectively, the “Contributions”) 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 procurement, financial management, disbursement and safeguard policies, 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 of Charter of the United Nations. The Donors acknowledge 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 a Donor.

2. **Management of the Contributions**

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is United States dollars (the “Holding Currency”).

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Arrangements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable 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 Contributions.
3. **Accounting and Financial Reporting**

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

3.2 The Bank 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 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 with respect to the Contributions shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

3.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) 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 (ii) 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.

3.4 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 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 borne by the requesting Donor.

3.5 The Bank shall make available to the Donors copies of all financial statements and auditors’ reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank’s Access to Information Policy.

4. **Progress Reporting**

4.1. The Bank shall provide the Donors with annual progress reports by the end of each Bank fiscal year. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donors, as such results framework may be reviewed by the Parties from time to time. Within (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final report for the Trust Fund.

4.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of 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 the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, 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.

5. **Disbursement; Cancellation; Refund**

5.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2020 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Arrangement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Arrangements of all
the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Arrangement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2 Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) 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 Administration Arrangement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in the Administration Arrangement; unless otherwise agreed between the Bank and the Donor.

6. Disclosure; Dispute Resolution

6.1 The Bank shall disclose the Administration Arrangements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Arrangements, the Donors consent to such disclosure of their respective Administration Arrangements and such related information.

6.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Arrangements.

7. Grants to Recipients

7.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the “Grant Agreements”) with recipients (the “Recipients”) consistent with the purposes of this Administration Arrangement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Arrangements between the Bank and the Donors.

7.2 The Bank shall calculate a fee each time funds (the “Grant Amount”) from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the “Calculation Date”). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the “Cumulative Grant Total”). The calculated fee shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:

(i) 5% of any portion of the Grant Amount that results in a Cumulative Grant Total below or equal to US$ 50 million [or equivalent]; plus
(ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 50 million [or equivalent] and below or equal to US$ 500 million [or equivalent]; plus
(iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 500 million [or equivalent] and below or equal to US$ 1 billion [or equivalent]; plus
(iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 1 billion [or equivalent].
Following each Calculation Date, the Bank shall deduct from the Trust Fund, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in the Trust Fund net of the related fee.

7.3 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

7.4 The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.
ANNEX 3

Governance

This Annex shall be applicable to and form an integral part of all Administration Arrangements between the Bank and the respective Donors.

The Trust Fund manager will consult with the donors on the type of technical assistance activities to be undertaken, the countries where these activities could be undertaken, and the technology focus. An annual work program will be prepared by the management, taking into account the outcome of these consultations, and to be approved by the donors meeting to be held at least once a year.