Mr. Tsunao Watanabe  
Director-General  
Nature Conservation Bureau  
Ministry of Environment of Japan  
1-2-2 Kasumigaseki Chiyoda-ku,  
Tokyo 100-8975  
Japan


Dear Mr. Watanabe:

We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development (“IBRD”), as trustee of the Nagoya Protocol Implementation Fund (“NPIF”) (the “Trustee”), the intention of the Ministry of the Environment of Japan (the “Donor”) to make available to the Trustee the sum of one billion Japanese Yen (¥1,000,000,000) (the “Contribution”) as a grant to NPIF.

The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (the “Nagoya Protocol”), was adopted at the tenth meeting of the Conference of the Parties ("COP10") to the Convention on Biological Diversity (the “CBD”). Article 10 of the Nagoya Protocol provides that the Intergovernmental Committee on the Nagoya Protocol is to consider the need for and modalities of a global multilateral benefit-sharing mechanism.

As President of COP10, Japan proposed that NPIF be established to support the early entry into force and effective implementation of the Nagoya Protocol, to be managed by the Global Environment Facility (“GEF”), as the financial mechanism of the CBD and the Nagoya Protocol.

The GEF Council, on February 23, 2010, approved without meeting (in accordance with paragraphs 43 to 45 of the Rules of Procedure for the GEF Council) the arrangements proposed for the establishment of NPIF and invited IBRD to act as Trustee.

The Contribution shall be administered by the Trustee in accordance with the terms of this Agreement and the “Standard Provisions Applicable to NPIF” (the “Standard Provisions”) attached hereeto as Annex 1. The Standard Provisions constitute an integral part of this Agreement.

Other donors are also expected to contribute to NPIF on the terms and conditions specified in the Standard Provisions.
The Donor shall deposit the Contribution into such account with such bank (the “Depository Bank”) so designated in a payment request by the Trustee for this purpose upon submission of such payment request by the Trustee.

When making such deposit, the Donor shall instruct the Depository 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 Contributor for MTO No. 069019 (Nagoya Protocol Implementation Fund-NPIF), and the date of the deposit (the “Deposit Instruction”).

The Trustee shall convert the Contribution funds into the holding currency of NPIF, namely United States Dollars, promptly upon receipt of the Contribution funds and the Deposit Instruction containing the information specified in the preceding paragraph at the exchange rate obtained by the Trustee on the date of the conversion. Where the Contribution proves to be insufficient to complete the activities as a result of an exchange rate fluctuation, neither the Trustee nor the Donor shall bear any responsibility for providing any additional financing.

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

For the Trustee:

Ms. Susan McAdams  
Director  
Multilateral Trusteeship and Innovative Financing  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Tel: +1 (202) 458-0019  
Fax: +1 (202) 614-0795  
E-mail: geftrustee@worldbank.org

For the Donor:

Mr. Toshio Torii  
Director  
Global Biodiversity Strategy Office  
Ministry of the Environment of Japan  
1-2-2 Kasumigaseki Chiyoda-ku,  
Tokyo 100-8975  
Japan

Tel: +81-3-5521-8150  
Fax: +81-3-3591-3228  
E-mail: toshio_torii@env.go.jp
This Agreement may be amended only by written agreement between the Trustee and the Donor, provided, however, that Annex I (Standard Provisions) to this Agreement may only be amended with the agreement of all Donors contributing to the NPIF.

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 Trustee 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,
as Trustee of the Nagoya Protocol Implementation Fund

/s/ Michael Koch
Acting Vice President
Concessional Finance and Global Partnerships

AGREED:

MINISTRY OF ENVIRONMENT OF JAPAN

By:  /s/ Tsunao Watanabe  Date: March 17, 2011
Name:  Tsunao Watanabe
Title:  Director-General, Nature Conservation Bureau,
        Ministry of the Environment of Japan
Standard Provisions Applicable to Contributions to NPIF

The following provisions (the "Standard Provisions") shall be applicable to, and shall form an integral part of all agreements entered into between the International Bank for Reconstruction and Development (the "IBRD"), as trustee of the Nagoya Protocol Implementation Fund ("NPIF") (the "Trustee") and donor countries and/or organizations (jointly, the "Donors", individually, a "Donor") that provide grants to NPIF (the "Contributions") to be administered by the Trustee. Defined terms used in the Standard Provisions and not defined herein have the same meaning as provided for such terms in the Instrument for the Establishment of the Restructured Global Environment Facility (the "Instrument").

1. Administration of the Contributions

1.1. The Trustee 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 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 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.

1.2. The Contribution funds shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the IBRD. The Contribution funds shall be held in United States Dollars. The Contribution funds may be commingled with other trust fund assets maintained by the IBRD.

1.3. Notwithstanding any other provision of this Agreement, the Trustee shall not commit or transfer any funds from NPIF until: (i) the GEF Council has adopted the possible further GEF Council decision on any outstanding issues on NPIF in form and substance satisfactory to the Trustee; or (ii) the Chief Executive Officer of the GEF (the "CEO") has notified the Trustee that there will not be any such further GEF Council decision.

2. Exchange and Investment of the Contributions

2.1. The Contribution funds may be freely exchanged by the Trustee into other currencies as may facilitate their administration and disbursement of funds.

2.2. The Trustee shall invest and reinvest the Contribution funds pending their disbursement in accordance with the IBRD's policies and procedures for the investment of trust funds administered by the IBRD. The Trustee shall credit all income from such investment to NPIF to be used for the same purposes as the Contribution funds.

3. Administrative Costs

3.1. The Trustee shall annually submit to the GEF Council acting as the Nagoya Protocol Implementation Fund Council (the "NPIF Council"), for approval, a request for its proposed administrative fee for the GEF fiscal year to cover the expenses incurred by the Trustee in the administration of NPIF. Upon approval by the NPIF Council, the Trustee will receive the amount of the administrative fee so approved, payable from the principal of NPIF.
3.2. The Secretariat of the GEF (the "Secretariat") will receive the administrative budget approved by the NPIF Council to cover the expenses incurred by the Secretariat in the performance of its responsibilities in connection with NPIF. Upon approval by the NPIF Council, the Trustee will transfer to the Secretariat the amount of the administrative budget so approved, payable from the principal of NPIF.

4. Use of Resources

Subject to paragraph 1.3 above, the Trustee may use the resources of NPIF for any purpose authorized by the NPIF Council or the CEO, as applicable.

5. Procedures to Govern Use of Resources

5.1. All amounts of NPIF resources in respect of which the Trustee, pursuant to paragraph 4 above, is authorized by the NPIF Council or the CEO to commit and transfer to the Implementing Agencies and executing agencies (jointly, the "Agencies," individually, an "Agency"), which amounts may include funds to cover the reasonable expenses incurred by the Agencies in the performance of their responsibilities, will be committed and transferred in accordance with agreements entered into separately between the Trustee and the Agencies.

5.2. Except as provided in paragraph 5.1 above, the Trustee shall have no responsibility to the Donors for the use by the Agencies of the funds so transferred to them.


Procurement of goods and services for activities financed by NPIF resources and implemented by the Agencies will be made in accordance with the regulations, rules, policies, guidelines and procedures of the respective Agency.

7. Accounting, Reporting and Auditing

7.1. The Trustee shall maintain separate records and ledger accounts in respect of the Contributions deposited in and the funds credited to NPIF, and commitments and disbursements made therefrom.

7.2. For as long as any resources remain in NPIF, the Trustee shall report to the CEO quarterly on the status of resources in NPIF. The Trustee shall also provide the NPIF Council with an annual unaudited financial statement with respect to NPIF. Such statements will be prepared in United States dollars ("Dollars").

7.3. The Trustee shall provide to the NPIF Council, within six (6) months following the end of each IBRD fiscal year, an annual single audit report, comprising: (1) a management assertion together with an attestation from 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 (2) a combined financial statement for all cash-based trust funds together with IBRD's external auditor's opinion thereon. The cost incurred in connection with such single audit shall be borne by IBRD.
7.4. If the NPIF Council wishes to request, on an exceptional basis, a financial statement audit by IBRD's external auditors of NPIF, the NPIF Council and the Trustee shall first consult as to whether such an external audit is necessary. The Trustee and the NPIF Council shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Trustee shall arrange for such an external audit and forward a copy of such auditors' report to the NPIF Council. The Trustee may deduct the cost of such audits, including the Trustee's internal costs in connection with such audits, from the resources of NPIF. If such funds are insufficient to cover the cost of such audits, the Donors will pay the Trustee such amount as is required to reimburse the Trustee for the cost of such audits. The Donors shall share the amount of such payment on a pro rata basis based on the actual cumulative contributions made to NPIF.

8. Additional Contribution

The Donor may make additional contributions to NPIF from time to time. The Donor shall notify the Trustee of such additional contributions in writing substantially in the form attached hereto as Attachment 1.

9. Termination

Unless otherwise decided by the GEF Council, NPIF will terminate on June 30, 2014. Notwithstanding the foregoing, the Trustee may terminate this Agreement at any time after consultation with the NPIF Council and the Agencies and after giving the NPIF Council six (6) months notice in writing.

In the event of termination, the Trustee shall take all necessary actions for winding up its activities in an expeditious manner and for the disposition of any remaining funds, receipts, assets or liabilities of NPIF upon termination.

10. Disclosure

The Trustee may disclose this Agreement and related information on NPIF 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 NPIF.
FORM OF NOTICE OF ADDITIONAL CONTRIBUTION

Mr. Axel van Trotsenburg
Vice President
Concessional Finance and Global Partnerships
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C.
U.S.A.

Nagoya Protocol Implementation Fund (MTO No.069019)

Dear Mr. van Trotsenburg,

Reference is made to the Trust Fund Administration Agreement (the “Agreement”) dated [date] between [name of donor] (the “Donor”) and the International Bank for Reconstruction and Development (“IBRD”), as trustee of the Nagoya Protocol Implementation Fund (“NPIF”) (the “Trustee”). Defined terms used in this Notice and not defined herein shall have the meanings given to them in the Agreement.

Pursuant to paragraph 8 of the Standard Provisions, we are pleased to inform you that [name of donor] agrees to make an additional contribution in the amount of [amount] [currency] ([currency] [amount]) (the “Additional Contribution”), as a grant to NPIF.

The Additional Contribution shall be administered by the Trustee in accordance with, and subject to the terms of the Agreement, and shall be used for the purposes described in the Standard Provisions. The Donor authorizes the Trustee to use the Additional Contribution for such purposes.

The Additional Contribution, payable in cash in [insert currency], will be paid into such account with such bank so designated in a payment request by the Trustee for this purpose upon submission of a payment request by the Trustee.

The IBRD will disclose this Notice and related information on NPIF in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Notice and related information on NPIF.

Please confirm your acceptance of the Additional Contribution by signing and returning a copy of this Notice.

Sincerely,

[NAME OF DONOR]

By: ________________________________
CONFIRMED:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
as Trustee of the Nagoya Protocol Implementation Fund

By: Axel van Trotsenburg
    Vice President
    Concessional Finance and Global Partnerships