Contribution Arrangement


WHEREAS, this Contribution Arrangement is signed by the United States of America, acting through the U.S. Department of the Treasury (the "Donor"), and the International Bank for Reconstruction and Development, as Trustee (the "World Bank," and together with the Donor, the "Participants") for the purpose of receiving funds for the Trust Fund, MTO 069024, supporting the Transition Fund, and for which capitalized terms used herein are used as defined in the Glossary in the Operations Manual; and

WHEREAS, the governance structure and operating principles, guidelines and procedures for the day-to-day operations of the Transition Fund are set forth in the Operations Manual;

NOW THEREFORE, the Participants hereto intend as follows:

1. The Donor has decided to make available as a grant, as specified in paragraph 4 below, a sum which it intends not to exceed fifty million United States dollars (US$50,000,000) as a contribution to the Trust Fund (the "Contribution"), subject to the availability of appropriations. Notwithstanding the foregoing, the Donor intends that the Contribution at no time exceed twenty percent (20%) of the cumulative total of funds pledged by all donors to the Trust Fund.

2. The Contribution is to be administered by the Trustee on behalf of the Donor consistent with the terms and conditions specified (i) in this Contribution Arrangement, including Annex 1 (Standard Provisions), which is part of this Contribution Arrangement, and (iii) the Operations Manual (including the Glossary) whose terms are to apply hereto. References in the Standard Provisions to a "Contribution Agreement" are to also include a Contribution Arrangement. Other contributors may contribute to the Trust Fund on such terms and conditions. In the event of conflict, the terms of this Contribution Arrangement are to prevail over the Operations Manual.

3. The Donor intends that its Contribution not be used to finance any military, paramilitary, or law enforcement activities, such as internal intelligence or surveillance programs, it being understood that this neither adds to nor detracts from existing obligations of the Trustee under this Contribution Arrangement or of any ISA under a Financial Procedures Agreement.

4. Subject to paragraph 1 above, the Donor intends to deposit the Contribution in cash through bank transfer(s) into such account with such bank as designated by the Trustee following notification in writing by the Donor of an intention to pay a specified portion of the Contribution and in response to a corresponding payment request provided by the Trustee.

5. When making deposits, the Donor is to 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 the Trust Fund (MTO 069024) for the Transition Fund, and the date of the deposit.

6. The offices responsible for coordination of all matters related to the implementation of this Contribution Arrangement are, except as may be notified in writing to the other Contact:
For the Trustee (the "Trustee Contact"):

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 0249

For the Donor (the "Donor Contact"):

Marisa Lago
Assistant Secretary for International Markets and Development
United States Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220
U.S.A.
Tel: +1 202 622 0200
Fax: +1 202 622 2308

7. This Contribution Arrangement may be modified by written arrangement between the Trustee and the Donor; provided, however, that (i) Annex 1 attached hereto may be modified only by written arrangement between the Trustee and all Donors contributing to the Trust Fund, and (ii) the Operations Manual may be modified by the Steering Committee according to its terms, such that such modification becomes automatically applicable to this Contribution Arrangement as and when such modification becomes effective without the need for further written arrangement between the Trustee and the Donor; in both cases (i) and (ii) provided further that any such modification does not conflict with other terms of this Contribution Arrangement or any Contribution Agreement and is consistent with the World Bank’s Articles, policies and procedures, as determined by the World Bank, and the ISAs’ applicable policies and procedures.

8. This Contribution Arrangement constitutes the entire understanding of the Participants with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

9. This Contribution Arrangement may be issued in separate counterparts, all of which taken together constitute one and the same instrument.
IN WITNESS WHEREOF, the Participants hereto, acting through their duly authorized representatives, have caused this Contribution Arrangement to be signed in their respective names. This Contribution Arrangement becomes operative as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
as Trustee of the Transition Fund Trust Fund

Joachim von Amsberg, Vice President
Concessional Finance and Global Partnerships
Date: April 18, 2013

THE UNITED STATES OF AMERICA, acting through the U.S. Department of the Treasury

Marisa Lago
Assistant Secretary for International Markets and Development
United States Department of the Treasury
Date: 23 April 2013

Attachments:

Annex 1 (Standard Provisions)
ANNEX 1

Standard Provisions

This Annex is to be applicable to and form an integral part of each Contribution Agreement entered into between the World Bank as Trustee, acting not for its own account, but solely in its capacity as trustee of the Trust Fund for the Transition Fund, and each Donor with respect to its respective Contribution to the Trust Fund.

1. Role of the Trustee

1.1 The Trustee is to be responsible only for performing those functions specifically set forth in the Contribution Agreements and Financial Procedures Agreements and is not to be subject to any other duties or responsibilities to the Donors, ISAs or Transition Countries, 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 Contribution Agreements or the Financial Procedures Agreements are to be considered a waiver of any privileges or immunities of the World Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

2. Receipt of Contributions

2.1 Contributions to the Trust Fund may be received from donor countries, as specified in the Operations Manual, that enter into a Contribution Agreement with the Trustee (each a Donor), consistent with the Trustee’s policies and procedures and the Contribution Agreements.

2.2 Contributions are to be provided to the Trustee for deposit into the Trust Fund in the currency stated in the Contribution Agreement or an amendment thereto. With respect to each Contribution, funds provided to the Trustee in a currency other than the Holding Currency are to be promptly converted by the Trustee to the Holding Currency.

2.3 Donors may make Contributions to the Trust Fund by means of payment in cash or, with agreement of the Trustee, by the delivery to the Trustee of instruments payable on demand or similar obligations in a form acceptable to the Trustee. Contributions may be paid in one lump sum or in installments on the terms agreed with the Trustee and specified in the respective Contribution Agreement or Arrangement.

3. Administration of Contributions

3.1 The Trustee is to account for Contributions as a single trust fund and keep them separate and apart from the funds of the World Bank. The Contributions may be commingled with other trust fund assets maintained by the World Bank.

3.2 The Contributions may be freely exchanged by the Trustee into other currencies to facilitate operations.

3.3 The World Bank is to invest and reinvest the funds in the Trust Fund pending their transfer in accordance with the World Bank’s applicable policies and procedures for the investment of trust funds administered by the World Bank. The Trustee is to deposit all income from such investment in the Trust Fund to be used for the purposes of the Trust Fund.
3.4 Funds may be approved by the Steering Committee only to the extent funds are available in the Trust Fund, meaning throughout the Contribution Agreements available cash and promissory notes net of any funds already allocated but not yet disbursed, as determined by the Trustee. Subject to the availability of cash and investments held in the Trust Fund as determined by the Trustee, the Trustee is to commit, transfer or use such funds for any purpose approved and in the amounts allocated by the Steering Committee in accordance with the terms of the Contribution Agreements and the Financial Procedures Agreements.

3.5 Upon the transfer of funds from the Trust Fund to an ISA or the Coordination Unit, the Trustee has no responsibility, fiduciary or otherwise, for the use of such funds or activities carried out therewith. The Donors acknowledge and understand that the Trustee is to transfer funds without requiring pre- or post-fund transfer review by the Trustee of any funding proposals submitted to the Steering Committee or any activities implemented thereunder.

4. Costs of the Trustee and Coordination Unit

4.1 Costs incurred by the Trustee and the Coordination Unit are at all times to be covered in their entirety by the Trust Fund. For the purposes of funding such costs, the Trustee and the Coordination Unit are to submit to the Steering Committee annual Budgets. The first annual Budget is to include reimbursement for costs incurred prior to Budget approval. Upon approval by the Steering Committee of any Budget proposal from the Trustee or Coordination Unit, the Trustee may transfer to the Trustee or the Coordination Unit, as the case may be, the respective amount approved. The Donors acknowledge and understand that any Trustee or Coordination Unit Budget amounts approved by the Steering Committee are to be adjusted as necessary at the end of each Fiscal Year based on actual costs incurred for activities performed in accordance with the Trustee’s and the Coordination Unit’s respective roles and responsibilities. To the extent actual costs incurred are lower than the transferred Budget amount, funds are to be returned for deposit in the Trust Fund.

5. Use of Funds

5.1 Funds from the Trust Fund may be used by ISAs for Projects and by the Trustee and Coordination Unit for Budgets, in each case in accordance with the purposes approved by the Steering Committee and in accordance with the Operations Manual.

6. Records and Reporting

6.1 The Trustee is to maintain separate records and ledger accounts with respect to the funds in the Transition Fund and transfers made therefrom. The Trustee is to maintain books, records, documents, and other evidence in accordance with the Trustee’s usual accounting procedures to substantiate the management of funds in the Trust Fund.

6.2 The Trustee is to report to the Steering Committee semi-annually on the financial status of the Transition Fund, including information on the status of Contributions, investment income, commitments, transfers and funds available for allocation by the Steering Committee.

6.3 The Trustee is to provide to the Donors, within six (6) months following the end of each Fiscal Year, an annual single audit report, comprising (i) a management assertion together with an attestation from the World 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 World Bank's external auditors' opinion thereon. The cost of the single audit is to be borne by the World Bank.

6.4 If a Donor wishes to request, on an exceptional basis, an audit of the financial statements of the Trust Fund by the World Bank's external auditors, the Donor may seek such audit through the Steering Committee. If the Steering Committee agrees to request such an audit, the Steering Committee is to designate one of its members to act on the Steering Committee's behalf for the specific purpose. The designated representative and the World Bank are to first consult as to whether such an external audit is necessary, in which case the World Bank and the designated representative are to agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the World Bank is to arrange for such external audit. The costs of any such audit, including the internal costs of the World Bank with respect to such audit, are to be borne by the requesting Donor, unless the Steering Committee agrees to instruct the Trustee to pay the costs of any such audit from available funds in the Trust Fund. In the event the Steering Committee does not agree to request such an audit, and the Donor has a statutory, regulatory or policy environment requiring such Donor's ability to make such a request unilaterally, such Donor may proceed in lieu of the designated representative as specified above.

6.5 The Donors acknowledge and understand that the provision of any financial statements and progress reports from ISAs is the responsibility of the respective ISA.

7. Dispute Resolution

7.1 The Donors and the Trustee, in coordination with the Steering Committee and the Coordination Unit, as applicable, are to make every effort to settle amicably, by way of consultation and other remedies as set out below, any dispute or controversy arising out of or relating to the Contribution Agreements.

7.2 To the extent feasible, any dispute or controversy between a Donor and an ISA under a Financial Procedures Agreement with respect to ISA Funds is, in the first instance, to be resolved amicably directly between the Steering Committee and the ISA without requiring involvement of the Trustee or individual Donors. The Donors understand that they may collectively through the Steering Committee, as undertaken by one of its members specifically designated to act on the Steering Committee's behalf for the specific purpose, address to the ISA a request to settle amicably such dispute or controversy with respect to any breach of a Financial Procedures Agreement.

7.3 In the event a request to settle amicably a dispute or controversy is not approved by the Steering Committee under Section 7.2 in a manner satisfactory to a requesting Donor, and the requesting Donor has a statutory, regulatory or policy environment requiring such Donor's ability to make such a request unilaterally, such Donor may address a request for amicable settlement, in accordance with the terms and in the manner provided for in this Contribution Agreement, directly to the ISA.

7.4 Each Donor is considered an interested party under each Financial Procedures Agreement and has the option to address a request to the respective ISA to settle amicably, in accordance with the terms and in the manner provided for in the respective Financial Procedures Agreement, a dispute or controversy regarding any breach by the ISA thereof, whether for itself under Section 7.3 or on behalf of the Steering Committee under Section 7.2.
8. **End Dates and Termination**

8.1 It is expected that no new Projects will be approved by the Steering Committee after the End Approval Date and no new transfers to ISAs will be made from the Trust Fund after the End Transfer Date. The Trustee may transfer funds after the End Transfer Date only with the approval of the Steering Committee.

8.2 Any Donor may, upon 90 days' advance written notice, cancel all or part of its Donor Share as calculated at the end of the notice period. In the event of such cancellation, the Trustee is to return to such Donor the amount of its Donor Share by transferring the funds directly to (i) such Donor, (ii) such Donor's donor balance account held by the World Bank or (iii) another trust fund administered by the World Bank, as instructed in writing by the Donor Contact.

8.3 The Trustee may terminate its role as Trustee of the Trust Fund for the Transition Fund at any time after providing the Steering Committee, all the Donors and all the ISAs 90 days' advance notice in writing. Following termination, the Trustee is to carry on no business for the Transition Fund except for the purpose of winding up its affairs. The Trustee, in consultation with the Steering Committee and the IFI Coordination Platform, is to take all necessary action for winding up its affairs in an expeditious manner.

8.4 Following the date when all funds committed by the Trustee have been fully transferred, the Trustee is to return to each Donor the amount of its respective Donor Share by transferring the funds directly to (i) such Donor, (ii) such Donor's donor balance account held by the World Bank or (iii) another trust fund administered by the World Bank, as instructed in writing by the Donor Contact.

9. **Disclosure**

9.1 The World Bank may disclose the Contribution Agreements and information on the Transition Fund in accordance with the World Bank's policy on access to information in effect at the time of such disclosure. By accepting these terms, each Donor consents to such disclosure of its Contribution Agreement and such information. This provision is to continue in full force and effect following completion of all Trust Fund transfers or termination of the Trust Fund.