REDD COUNTRY PARTICIPATION AGREEMENT

Between

Kingdom of Bhutan

and

The International Bank for Reconstruction and Development
as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility

(“Trustee of the Readiness Fund”)

Whereas:

A. The Participants Committee (“PC”), through its Resolution PC/14/2013/2, specified the criteria and the process by which Qualified Eligible REDD Countries may be selected into the Forest Carbon Partnership Facility (“FCPF”);

B. The Kingdom of Bhutan submitted a Readiness Preparation Proposal (“R-PP”) to the Facility Management Team in November 2013, in accordance with Resolution PC/14/2013/2, and the R-PP was reviewed by a Technical Advisory Panel, and a working group consisting of PC members established for this purpose;

C. The PC reviewed the R-PP in accordance with Section 11.1 (b) of the Charter Establishing the FCPF (“Charter”) at its sixteenth meeting, and acknowledged the extensive efforts made by the Kingdom of Bhutan, and the high quality of the R-PP;

D. The PC, at its sixteenth meeting, selected the Kingdom of Bhutan into the FCPF as one of the Qualified Eligible REDD Countries; and

E. Section 6.2(b) of the Charter provides that an Eligible REDD Country shall enter into a REDD Country Participation Agreement (“Participation Agreement”) with the Trustee of the Readiness Fund to become a REDD Country Participant.

The Kingdom of Bhutan (“REDD Country Participant”) and the Trustee of the Readiness Fund enter into this Participation Agreement on the terms and conditions set forth below:

Article I Definitions

1.01 Capitalized terms hereinafter appearing in this Participation Agreement, but not otherwise defined, shall have the same meaning as that ascribed to them in the Charter
or the relevant PC Resolution, and the terms set forth below shall have the following meanings:

(a) "Agreement" or "Participation Agreement" means this participation agreement and the attachment attached hereto;

(b) "Charter" means the Charter Establishing the Forest Carbon Partnership Facility, as amended from time to time; and

(c) "Facility" or "FCPF" means the Forest Carbon Partnership Facility.

Article II The Charter

2.01 The parties to this Agreement agree to be bound by all the relevant provisions of the Charter attached hereto as Attachment I and incorporated into this Participation Agreement by this reference.

Article III Commitment

3.01 The REDD Country Participant declares its commitment to revise its R-PP in accordance with Resolution PC/16/2013/2 and, subject to availability of funds, to implement the R-PP.

3.02 Subject to availability of funds in the Readiness Fund and decision by the Trustee of the Readiness Fund, the Trustee of the Readiness Fund shall extend to the REDD Country Participant a grant(s) for assisting it to fulfill its obligations referred to in Section 3.01 of this Agreement.

3.03 For the purpose of Sections 3.01 and 3.02 of this Agreement, the REDD Country Participant, immediately after execution of this Agreement, may enter into a Grant Agreement with the Trustee of the Readiness Fund, in which it will set forth, inter alia, timetable for implementation and conditions for disbursement of the grant.

Article IV Representations by the REDD Country Participant

4.01 The REDD Country Participant represents that it has:

(a) All necessary power and authority to enter into this Agreement and to participate in the Facility; and

(b) All necessary power and authority to duly authorize and execute this Agreement.

4.02 The REDD Country Participant acknowledges that being a Participant in the Facility does not in any way guarantee that an Emission Reduction Program it proposes in accordance with Section 6.4 (b) of the Charter and Emission Reductions generated from such program will be selected or purchased under the Carbon Fund of the Facility.

Article V Amendment
5.01 This Agreement may only be amended with the written consent of the parties hereto.

Article VI Termination

6.01 This Agreement may be terminated in accordance the relevant provisions of the Charter, including:

(a) Termination of the Readiness Fund of the Facility in accordance with Article 22 of the Charter, in which case Section 24 (a) (iv) of the Charter shall apply; or

(b) Withdrawal by the REDD Country Participant of its participation in the Facility in accordance with Section 6.6 of the Charter, in which case Section 6.6 (b) and (c) of the Charter shall apply.

6.02 Notwithstanding Section 6.01, this Agreement may be terminated by the Trustee of the Readiness Fund upon three (3) months prior written notice to the REDD Country Participant, in which case the participation in the Facility by the REDD Country Participant and its right in the Grant Agreement to receive the grant that has not been disbursed by the Trustee of the Readiness Fund, shall be terminated.

Article VII Effectiveness

7.01 This Agreement shall become effective on the date as of which it has been executed by the parties thereto.

Article VIII Notice

8.01 All communications shall be in writing (including facsimile communications), or by telephone (to be promptly confirmed in writing) or, in the case of communications to the REDD Country 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:

REDD Country Participant:

Name: Kingdom of Bhutan
Address: Tashichhodzong
Thimphu, Kingdom of Bhutan
Attention: H.E. Namgay Dorji, Minister, Ministry of Finance
Telephone: (office) +975 2324861; (mobile) +975 17117081
Electronic Mail : namgay@mof.gov.bt
Trustee:

Name: International Bank for Reconstruction and Development, as Trustee for the Readiness Fund of the Forest Carbon Partnership Facility

Address: 1818 H Street, N.W. Washington, D.C. 20433 U.S.A.

Attention: Fund Manager, Forest Carbon Partnership Facility

Telephone: +1 (202) 458-4416

Facsimile: +1 (202) 522-7432

Electronic Mail: fcpfsecretariat@worldbank.org
PARTICIPANT: KINGDOM OF BHUTAN

By: ________________
   Authorized Representative

Name: LYONPO NAMGYAL DORJI

Title: Finance Minister

Date: 27th August, 2014

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, AS TRUSTEE OF THE READINESS FUND OF THE FOREST CARBON PARTNERSHIP FACILITY

Authorized Representative

Name: Jengrig Boe

Title: Resident Representative

Date: June 9, 2014