Supplemental Contribution and Amendment to the Agreement between the Kingdom of Spain and the International Bank for Reconstruction and Development concerning the CF Assist Trust Fund (TF 054846)

Dear Mr. Inaraja and Mr. Vargas:

1. We refer to the Agreement between the Kingdom of Spain (the “Donor”) and the International Bank for Reconstruction and Development (the “IBRD”) regarding the CF Assist Trust Fund (TF 054846) (the “Trust Fund”) dated May 6, 2005, as amended (the “Agreement”).

2. We are pleased to acknowledge, on behalf of the IBRD, the intention of the Donor to make available as a grant a supplemental contribution in the amount of five million five hundred thousand Euros (EUR 5,500,000) (the “Supplemental Contribution”) from the funds (Contribution A) of the Ministry of Agriculture, Food and Environment held at the IBRD as part of the Spanish Carbon Fund Tranche II (SCF T2) (TF070998) for the Trust Fund activities implementation in accordance with the terms of this Amendment to the Agreement.

3. The Donor hereby authorizes the IBRD to transfer the Supplemental Contribution from the Spanish Carbon Fund Main Fund Tranche II (TF070998) to the CF Assist Trust Fund (TF054846) promptly following countersignature of this Amendment by the Donor.
4. The IBRD will convert the Supplemental Contribution funds into the holding account of the Trust Fund, namely United States Dollars, promptly upon receipt of the Supplemental Contribution funds at the exchange rate obtained by the IBRD on the date of conversion. Where the Supplemental Contribution proves to be insufficient to complete the activities as a result of the exchange rate fluctuation, neither the IBRD nor the Donor will bear any responsibility for providing additional financing.

5. Additionally, pursuant to recent discussion between the IBRD and the Donor, the IBRD proposes to amend the Agreement as follows:

   (i) Paragraph 2 of Annex 1 to the Agreement is deleted in its entirety and replaced by the following:

   "2. Activities.

   The Contribution will be used for the following activities:

   (a) build the capacity of National and Sub-national Entities working on the Clean Development Mechanism, New Market Mechanisms, Nationally Appropriate Mitigation Actions, including providing support for capacity development to review and approve carbon finance and climate finance projects, and building structures to support mobilizing, accessing and mainstreaming climate finance into development plans and maintain such capacity;

   (b) (i) identify, develop and enhance the implementation of portfolios of carbon finance projects, low carbon and climate finance initiatives or policies in developing countries, and (ii) build the capacity of project sponsors, financial intermediaries, government officials to initiate, develop, compare and register such projects, programs, activities or policies, and prepare them up to financial closure, including determining the relative value of low carbon projects, activities, programs and policies through assessment of their overall benefits, risks and contribution to the global greenhouse gas mitigation effort;

   (c) provide support that will enable participating countries to identify and replicate successful carbon and climate finance projects, programs and policies including developments of baseline and monitoring activities across important sectors of the economy, use of innovative financial tools to improve project financing and design of green investments schemes for various asset classes;

   (d) convene informed dialogues on carbon pricing at the global, regional and country levels to increase political ambition and action and business support for carbon pricing and corporate pricing;
(e) generate and broadly disseminate to selected developing countries and subnational stakeholders for climate finance and low emission development, innovative learning tools that combine state-of-the-art knowledge on climate finance and carbon finance, evolving policy instruments in support of low emission development, and case studies showcasing best practices;

(f) convene knowledge sharing fora on emissions markets, carbon pricing and climate finance including Global Carbon Expo and regional fora in Latin America, Africa and Asia. Provide support to regional knowledge exchange activities related to low emissions development in collaboration with international development partners, United Nations (UN) Agencies and regional stakeholders; and

(g) develop analytical work and case studies on such topics as carbon pricing systems, climate change mitigation programs, international carbon asset reserve, international settlement platform, climate transparency platform and greenhouse gas mitigation contribution composite index.”

(ii) Paragraph 10 (a) of Annex 2 to the Agreement is deleted in its entirety and replaced by the following:

“10. Duration of CF Assist; Cancellation; Refund

(a) It is expected that the Contribution funds will be fully disbursed by the IBRD in accordance with the provision of this Agreement by October 31, 2019. The IBRD shall only disburse Contribution funds for the purpose of this Agreement after such date with written approval of the Donors.”

6. All other terms of the Agreement shall remain the same.

7. The IBRD will disclose this Amendment and the related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Amendment, the Donor consents to disclosure of this Amendment and related Information on this Trust Fund.
8. We propose this letter shall constitute an Amendment to the Agreement between the IBRD and the Donor. Please confirm your acceptance of the forgoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your records and returning the other original to the IBRD. Upon receipt by the IBRD of all of the respective amendments to the agreements with the IBRD signed by each donor currently contributing to the Trust Fund, this Amendment will become effective as of the date the last such donor countersigns its respective amendment.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]
John A. Roome
Senior Director
Climate Change Group

CONFIRMED AND AGREED:

THE KINGDOM OF SPAIN

By: ____________________________ Date: 21 DIC 2015
Pablo Saavedra Inaraja
Secretary of State for Environment

By: ____________________________ Date: 23 DIC 2015
Iñigo Fernández de Mesa Vargas
Secretary of State for Economic and Business Affairs