Contribution Arrangement
Between the Government of Japan, represented by its Ministry of Finance, and the International Bank for Reconstruction and Development
Concerning the Transition Fund (MTO 069024)
Dated December 11, 2012

WHEREAS, this Contribution Arrangement is acknowledged by the Government of Japan, represented by its Ministry of Finance, (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 Parties hereto agree as follows:

1. The Donor has decided to contribute a total amount of USD 12,000,000 (twelve million United States Dollars) over 3 years, subject to parliamentary approval for each Japanese fiscal year, (the "Contribution") to the Trust Fund as specified in paragraph 3 below.

2. The Contribution will be administered by the Trustee on behalf of the Donor in accordance with the terms and conditions specified (i) in this Contribution Arrangement, including Annex 1 (Standard Provisions), which constitutes an integral part of this Contribution Arrangement, and (ii) the Operations Manual (including the Glossary) whose terms will apply hereto. Other contributors may contribute to the Trust Fund on such terms and conditions. In the event of conflict, the terms of this Contribution Arrangement will prevail over the Operations Manual.

3. Subject to paragraph 1 above, the Donor will provide its Contribution using funds from the Policy and Human Resources Development Fund administered by the World Bank (TF 021330) (the "PHRD Fund") via the PHRD Multilateral Account (TF 050728) (the "Multilateral Account") and accordingly hereby authorizes the Trustee to transfer each payment below from the Multilateral Account to the Trust Fund promptly following notification by the Donor through a separate letter, substantially in the form of Annex 2 (Form of Contribution Letter):

<table>
<thead>
<tr>
<th>Payment</th>
<th>Contribution Currency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>During 2013</td>
<td>USD</td>
<td>4,000,000</td>
</tr>
<tr>
<td>During 2014</td>
<td>USD</td>
<td>4,000,000</td>
</tr>
<tr>
<td>During 2015</td>
<td>USD</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

4. 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:
5. This Contribution Arrangement may be amended by written agreement between the Trustee and the Donor; provided, however, that (i) Annex 1 attached hereto may be amended only by written agreement between the Trustee and all Donors contributing to the Trust Fund, and (ii) the Operations Manual may be amended by the Steering Committee according to its terms with such amendment becoming automatically applicable to this Contribution Arrangement as and when such amendment becomes effective without the need for further written agreement between the Trustee and the Donor; in both cases (i) and (ii) provided further that any such amendment does not conflict with other terms of the Contribution Arrangements 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.

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

7. This Contribution Arrangement may be executed in separate counterparts, all of which taken together will constitute one and the same instrument.

8. It is understood that this Contribution Arrangement, including Annex 1, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the UN Charter. It is an administrative arrangement between the Trustee and the Donor.
9. This Contribution Arrangement will be carried out as of the date of the last signature of the Participants hereto, acting through their duly authorized representatives.

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

Axel van Trotsenburg, Vice President
Concessional Finance and Global Partnerships

Date: 12/10/2012

GOVERNMENT OF JAPAN, REPRESENTED BY ITS MINISTRY OF FINANCE

Hideaki Suzuki, Executive Director of the World Bank for Japan
on behalf of the Ministry of Finance of the Government of Japan

Date: 12/11/2012

Attachments:

Annex 1 (Standard Provisions)
Annex 2 (Form of Contribution Letter)
ANNEX 1

Standard Provisions

This Annex will 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 will be responsible only for performing those functions specifically set forth in the Contribution Agreements and Financial Procedures Agreements and will not 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 will 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 will 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 will 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.

3. Administration of Contributions

3.1 The Trustee will 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 will 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 will 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 will 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 will have no responsibility, fiduciary or otherwise, for the use of such funds or activities carried out therewith. The Donors acknowledge and agree that the Trustee will 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 will at all times be covered in their entirety by the Trust Fund. For the purposes of funding such costs, the Trustee and the Coordination Unit will submit to the Steering Committee annual Budgets. The first annual Budget will 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 agree that any Trustee or Coordination Unit Budget amounts approved by the Steering Committee will 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 will 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 will maintain separate records and ledger accounts with respect to the funds in the Transition Fund and transfers made therefrom. The Trustee will 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 will 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 will 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 will 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 will designate one of its members to act on the Steering Committee’s behalf for the specific purpose. The designated representative and the World Bank will first consult as to whether such an external audit is necessary, in which case the World Bank and the designated representative will agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the World Bank will arrange for such external audit. The costs of any such audit, including the internal costs of the World Bank with respect to such audit, will 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 agree 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, agree 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 will, in the first instance, be resolved amicably directly between the Steering Committee and the ISA without requiring involvement of the Trustee or individual Donors. The Donors agree 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 will be considered an interested party under each Financial Procedures Agreement and will have 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 will 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 will carry on no business for the Transition Fund except for the purpose of winding up its affairs. The Trustee will, in consultation with the Steering Committee and the IFI Coordination Platform, 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 will 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 agreeing to these terms, each Donor consents to such disclosure of its Contribution Agreement and such information. This provision will continue in full force and effect following completion of all Trust Fund transfers or termination of the Trust Fund.
Dear Trustee of the MENA Transition Fund,

1. We refer to the Contribution Arrangement between the Government of Japan, represented by its Ministry of Finance, and the International Bank for Reconstruction and Development, acting as Trustee, concerning the Transition Fund (MTO 069024) dated _______ (the "Contribution Arrangement"). Defined terms used herein have the meanings provided therein.

2. Pursuant to paragraph 3 of the Contribution Arrangement, we are pleased to inform you that the Donor has allocated its [2013] [2014] [2015] payment in the amount of four million United States Dollars ($4,000,000) from the PHRD Fund (TF 021330). Therefore, we hereby authorize the Trustee to transfer this amount from the Multilateral Account (TF 050728) to the Transition Fund.

3. The above payment is subject to the terms and conditions specified in the Contribution Arrangement.

4. Pursuant paragraph 9.1 of Annex 1 of the Contribution Arrangement, the Donor agrees that the World Bank may disclose this letter under its policy on access to information.

Sincerely yours,

GOVERNMENT OF JAPAN, REPRESENTED BY ITS MINISTRY OF FINANCE

[Signature]

[name], Executive Director of the World Bank for Japan
on behalf of the Ministry of Finance of the Government of Japan

Date: ___________________