

**COOPERATION AGREEMENT**

**between**

**NORDIC DEVELOPMENT FUND**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**APRIL 19, 2012**

AGREEMENT dated as of October 23, 1991, amended and restated as of April 19, 2012, between the NORDIC DEVELOPMENT FUND (hereinafter called "NDF"), on the one hand and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter collectively called the "World Bank" or the "Bank") on the other (each individually called "Party" and collectively the "Parties").

WHEREAS the Nordic Council of Ministers, on May 19, 1988, decided to establish NDF for the purpose of providing financing on concessional terms to developing countries thereby contributing to the social and economic development of these countries, and NDF became operational on February 1, 1989;

WHEREAS the Nordic Council of Ministers, on May 5, 2009, decided to include financing in the form of grants in the operational modalities of NDF, such grants to be provided for the mitigation and adaptation to climate change;

WHEREAS the financing to be provided by NDF is intended to be offered as co-financing with other multilateral financial institutions;

WHEREAS NDF and the World Bank have cooperated in the co-financing of development projects and programs of mutual interest in developing member countries of the World Bank pursuant to a Cooperation Agreement dated October 23, 1991 (the "1991 Agreement");

WHEREAS NDF and the World Bank wish to cooperate in promoting additional co-financing and trust fund opportunities on the terms and conditions hereinafter set forth or otherwise agreed between NDF and the World Bank;

WHEREAS it is the intention of NDF and the World Bank to amend and restate the 1991 Agreement and replace it with this Cooperation Agreement, it being understood, however, that all commitments undertaken pursuant to the 1991 Agreement shall continue to be governed by the terms of that 1991 Agreement unless otherwise agreed to, in writing, between the Parties;

NOW THEREFORE the Parties hereto have agreed to amend and restate the 1991 Agreement to read as follows:

## ARTICLE I

### Methods and Application of Co-financing and Trust Funds

- 1.01. The financing to be provided by NDF for projects or programs implemented in countries eligible for financing by the World Bank and NDF ("Eligible Countries") will be made available pursuant to this Cooperation Agreement in a form permitted by the Statutes of NDF, *i.e.* interest free loans, subordinated loans, equity capital and grants. Unless otherwise notified by NDF, financing will be made available in the form of grants for the benefit of Eligible Countries.
- 1.02. The financing to be provided by NDF pursuant to this Cooperation Agreement is intended to contribute to the financing of development projects and programs of interest to the Nordic countries.
- 1.03. Financing by NDF may be provided in the form of trust funds administered by the Bank or on a parallel financing basis.
  - (a) When financing by NDF is provided in the form of a trust fund, the funds provided by NDF shall be administered by the World Bank for a fee and on terms agreed upon through a Trust Fund Administration Agreement between NDF and the World Bank. If the trust fund is for recipient-executed activities, the World Bank shall pass on the funds provided by NDF to the respective recipients, and supervise the recipient's implementation of the project, pursuant to a separate financing agreement entered into between the World Bank and the recipient.
  - (b) When financing by NDF is provided on a parallel co-financing basis the Parties will finance specific identifiable project or program components or contracts separately under separate financing agreement(s) entered into by the Parties with the recipient of the funds relating to the financing of their respective component(s).

## ARTICLE II

### Project and Program Selection

- 2.01. Regular consultations between the World Bank and NDF shall take place for the purpose of reviewing projects and programs that could be of mutual interest. Following such consultations, NDF shall inform the World Bank of the projects or programs that it is interested in financing and the amounts of funds which NDF intends to make available for the financing of such projects or programs. NDF and the World Bank will decide for each project or program whether the financing shall be in the form of trust funds or parallel co-financing.

In addition, the World Bank will inform NDF of new proposed projects or programs being planned in countries that it considers may be of special interest to NDF.

- 2.02. NDF will indicate the amounts and timing of financing proposed and the conditions on which such financing may be made available, including, to the extent feasible, whether goods, works, non consulting and/or consulting services may be financed. It will be the responsibility of NDF to indicate to potential recipients its interest in making funds available for the financing of specific projects or programs. The decision to include NDF's financing proposal in the financing plan for a project or program will be made by the intended recipient in consultation with the World Bank.
- 2.03. NDF may bring to the attention of the World Bank other projects and programs which it considers may be of interest to finance to the World Bank and provide suggestions concerning the possible extent of participation of NDF therein. NDF may from time to time also inform the World Bank of the particular countries and the specific sectors in which NDF has a special interest.

### ARTICLE III

#### Parallel Co-financing

- 3.01. Unless otherwise agreed by the parties, in the case of parallel co-financing, the recipient of the funding will be responsible for the execution of each project or program, including the evaluation, award and administration of contracts thereunder.
- 3.02. NDF and the World Bank will cooperate to ensure that the procedures to be used in parallel co-financing will fulfill the recipient's obligations to cause the project or program to be carried out diligently and efficiently, and that the goods, works and services to be procured:
- (a) are of satisfactory quality and are compatible with the rest of the project or program;
  - (b) will be delivered or completed in a timely fashion; and
  - (c) are competitively priced so as to support the economic and financial viability of the project or program.
- 3.03. With respect to each project or program to be financed by parallel co-financing pursuant to this Cooperation Agreement, NDF and the World Bank shall:
- (a) execute separate financing agreements with the recipient of the funding regarding their respective assistance, after providing each other an opportunity to comment on their respective agreements as they may have a bearing on the other. The financing agreements of NDF and the World Bank concluded in connection with the projects and programs to be co-financed in parallel will, when deemed appropriate by the Parties, include customary cross-effectiveness provisions and cross default clauses. The procedures to be used by the recipient of the funding to procure the goods, works and services financed by NDF will be determined by NDF through said separate financing agreement with the recipient of the funding.

- (b) if the Parties consider it necessary, execute a co-financing agreement based on the general principles agreed under this Cooperation Agreement, setting forth, in relation to the circumstances of each project or program, the respective responsibilities to be taken by each side to facilitate the effective coordination and efficient preparation and supervision of that project or program.
- (c) in cases where one Party's financing is subject to the effectiveness of the other Party's financing agreement with the recipient of the funding, each Party shall use its best efforts to expedite the timely effectiveness of its financing agreements, and keep the other Party informed of the progress of its separate agreement with the recipient of the funding. The Parties shall inform each other when conditions of effectiveness in the respective financing agreements have been met.
- (d) inform each other promptly of any significant modification of its financing agreements and of any contractual remedy that is applied in respect thereof. To the extent practicable, each party will afford the other a reasonable opportunity to exchange views before effecting any such modification or exercising any such contractual remedy.
- (e) in the case of projects or programs that include the financing of consulting services, NDF shall afford or cause the recipient of the funding to afford the World Bank a timely opportunity to satisfy itself that the qualifications and capability of the consultants and the terms and conditions of employment, including the terms of reference, are appropriate to the assignment.

#### ARTICLE IV

##### Trust Funds

- 4.01. Trust funds may be recipient-executed or Bank-executed, as agreed in the Trust Fund Administration Agreement between the World Bank and NDF. In the case of recipient-executed trust funds ("RETFs"), the Bank passes on to a third party the funds contributed by NDF, and plays an operational role (i.e., the Bank normally appraises and supervises the activities financed by these funds). In the case of bank-executed trust funds ("BETFs"), the funds contributed by NDF are allocated to agreed activities that support the Bank's work program.
- 4.02. NDF may contribute funds to single-donor trust funds, where it is the sole contributor, or to multi-donor trust funds, where funds from different donors are commingled to carry out an agreed project or program. In the case of multi-donor trust funds, the same terms and conditions shall apply to all donors contributing to the same trust fund.
- 4.03. With respect to each project or program to be financed by NDF through a trust fund, the World Bank will be responsible for the functions specifically set forth in the Trust Fund Administration Agreement. The funds contributed by NDF for a Trust Fund shall be

administered in accordance with the World Bank's applicable policies and procedures, as the same may be amended from time to time.

- 4.04. If acceptable to NDF, Trust Fund Administration Agreements between the World Bank and NDF shall conform to the Bank's current templates at the time the trust fund is set-up.

## ARTICLE V

### Cooperation and Consultation

- 5.01. The World Bank and NDF will keep each other informed of the progress of the projects and/or programs financed by them pursuant to this Agreement and will, at the request of either Party, exchange views with regard to the projects and programs and any other matters relating to their respective financing thereof. In the case of RETFs, the World Bank will, subject to the consent of the recipient of the funds, provide NDF with an opportunity to participate at its own cost in preparation, appraisal and supervision missions relating to such projects and/or programs.
- 5.02. NDF and the World Bank shall consult with each other from time to time on all matters arising out of this Cooperation Agreement. In addition, the World Bank and NDF will explore other ways and means of promoting increased co-financing cooperation and assistance between the two institutions.

## Article VI

### Miscellaneous

- 6.01. Subject to the policies and procedures of each Party on access to information, the Parties agree that this Cooperation Agreement may be made publicly available. The World Bank and NDF shall each respectively obtain the each other's prior written consent before publicly disclosing information that the other has explicitly provided in confidence by marking the document containing such information as proprietary and/or confidential and/or as being provided in confidence.
- 6.02. The Parties shall be responsible only for performing those functions specifically set forth in this Cooperation Agreement and in each Trust Fund Administration Agreement and shall not be subject to any other duties or responsibilities to each other, 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 Cooperation Agreement shall be considered a waiver of any privileges or immunities of the World Bank or NDF under its respective Articles of Agreement or any applicable law, all of which are expressly reserved.

6.03. This Cooperation Agreement will remain in effect unless terminated by any Party upon six months' prior written notice to that effect to the other Party; provided, however, that unless otherwise mutually agreed, the activities to be carried out by the parties under this Cooperation Agreement in relation to on-going projects for which NDF is providing co-financing will not be effected by such termination.

6.04. All written communications required or permitted by this Cooperation Agreement will be directed to the following addresses:

For NDF:

Helge Semb, Managing Director  
Nordic Development Fund  
P.O.Box 185  
FI-00171 Helsinki  
Finland

Telefax: +358 9 622 1491

For the World Bank:

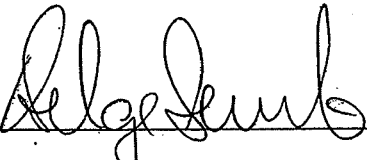
Michael Koch  
Director, Global Partnerships and Trust Funds Operations  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION  
1818 H Street, N.W.  
Washington D.C. 20433  
U.S.A.

Telefax: 1-202-614-5351

6.05. This Cooperation Agreement may be amended only by written agreement of the Parties hereto.

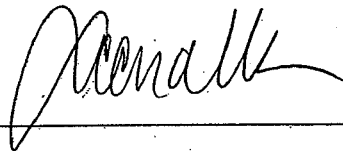
IN WITNESS WHEREOF, the Parties hereto, acting through their representatives thereunto duly authorized, have caused this Cooperation Agreement to be signed in their respective names as of the day and year first above written.

**NORDIC DEVELOPMENT FUND**

By: 

Name: Helge Semb

Title: Managing Director

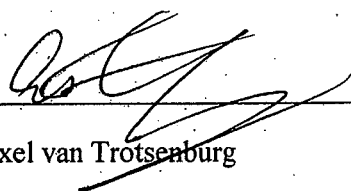
By: 

Name: Leena Klossner

Title: Deputy Director

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: 

Name: Axel van Trotsenburg

Title: Vice President, Concessional Finance and Global Partnerships