

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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

(202) 473-1000
Cable Address: INTBAFRAD
Cable Address: INDEVAS

June 14, 2023

Mrs. Sandra Lindström
Swedish Energy Agency
Gredbyvägen 10
P.O. Box 310 SE
631 04 Eskilstuna, Sweden

Dear Mrs. Lindström,

Re: Amendment to the Contribution Agreement between the Kingdom of Sweden, acting through the Swedish Energy Agency and the International Bank for Reconstruction and Development (“IBRD”) concerning Tranche A of the Transformative Carbon Asset Facility (TF072703)

We refer to the Transformative Carbon Asset Facility (“**TCAF**”) Contribution Agreement dated March 2, 2017, executed by and between IBRD, acting as trustee of TCAF (“**Trustee**”) and the Kingdom of Sweden, acting through the Swedish Energy Agency (“**Contributor**”, and together with the Trustee, the “**Parties**” and each a “**Party**”) (“**Contribution Agreement**”).

The Parties herewith agree to amend the Contribution Agreement as follows:

1. Section 1.1 (c) shall be deleted in its entirety and replaced to read as follows:

“(c) “**Governmental Authority**” means any national, regional or local governmental agency or authority in any country, and any other governmental or quasi-governmental entity, agency, organization, commission, secretariat, executive board, mechanism, conference or authority, including any existing or future international, regional or multi-national governmental or political bodies or establishments, including, but not limited to, those established by the parties to the UNFCCC, the Kyoto Protocol or the Paris Agreement or the member states of the European Union, and any subordinate entity, technical body, expert, validator, certifier, operational entity or authority of, recognized by, reporting to, mandated by, or acting on behalf of any of the foregoing;”

2. The following definitions shall be added under Section 1.1:

“(f) “**Adaptation Fund**” means the fund established under the International Rules and referred to under Decision 13/CMA.1 to finance concrete adaptation projects and programmes in developing countries that are particularly vulnerable to the adverse effects of climate change;

(g) “**ITMO-VERs**” means the Verified Emission Reductions, as defined under the relevant MOPA, generated from the approved Program that are subject to transfers as internationally transferred mitigation outcomes (ITMOs) under the MOPA and to the Host Country’s authorization and corresponding adjustments under Article 6.2 of the Paris Agreement;

(h) “**Mitigation Outcome Purchase Agreement**” or “**MOPA**” means the Mitigation Outcome Purchase Agreement executed between the Program Entity and the Trustee for the results-based carbon finance payment for the transfer of ITMO-VERs under Article 6.2 of the Paris Agreement; and

(i) “**Share of Proceeds for Adaptation**” or “**SOPA**”: means a voluntary monetary contribution to the Adaptation Fund under the MOPA, to assist developing countries that are particularly vulnerable to the adverse effect of climate change to meet the costs of adaptation.”

3. Section 5.1 (b) shall be deleted in its entirety and replaced to read as follows:

“(b) Recipient-executed activities, for which one or more recipient have implementation responsibility:

Purchase of Verified Emission Reductions under ERPAs and of ITMO-VERs under MOPAs.”

4. A new sentence shall be inserted as sentence 2 in Section 5.2:

“The Trustee may also use Facility property to pay or reimburse itself or any other person for costs and expenses incurred in the transfer of Verified Emission Reductions (ERPAs) and ITMO-VERs (MOPAs), including the payment of SOPA to the Adaptation Fund under MOPAs.”

5. Section 5.2 (d) shall be deleted in its entirety and replaced to read as follows:

“(d) For recipient-executed activities, the Facility funds may be used to finance the purchase of Verified Emission Reductions under ERPAs and the purchase of ITMO-VERs under MOPAs.”

6. The chapeau of Section 5.3 (a), without deleting or amending its sub-paragraphs (i) to (iv), shall be deleted in its entirety and replaced to read as follows:

“(a) The Trustee will calculate a fee each time funds from the Facility become committed under an ERPA or, where applicable, under a MOPA (for both cases referred to as the "Emission Reduction Payment Amount"). Such commitment will occur when such ERPA or, where applicable, when such MOPA, is fully countersigned (the "Calculation Date"). The fee so calculated by the Trustee will be based on the cumulative total of funds from the Facility committed under all ERPAs and, where applicable, all MOPAs, that have been fully countersigned on or prior to the Calculation Date (for both cases referred to as the "Cumulative Emission Reductions Payment Total"). The calculated fee will depend on where the Cumulative Emission Reductions Payment Total stands as the Emission Reduction Payment Amount is added and will be determined in accordance with the following schedule:”

7. Section 8.1 (a) shall be deleted in its entirety and replaced to read as follows:

“(a) There is no guarantee that a Program or any Emission Reductions generated by a Program or otherwise contracted for by the Trustee will be recognized, documented, confirmed, validated, approved, authorized irrevocably to be transferred as ITMO-VERs and correspondingly adjusted, credited, supported, registered, accounted for or agreed to by any Governmental Authority.”

8. Section 8.1 (b) shall be deleted in its entirety and replaced to read as follows:

“(b) Upon Contributor’s instructions, the Trustee will cancel or re-transfer, to the Program Entity, the pro rata share of any Verified Emission Reductions attributable to the Contribution or engage in any other act with respect to the Verified Emission Reductions or the ITMO-VERs, so decided jointly by the Contributor and the Trustee.”

9. The contact details for the “Contributor” in Section 9.4 shall be deleted in its entirety and replaced to read as follows:

“Name: Swedish Energy Agency
Address: Gredbyvägen 10, P.O. Box 310 SE, 631 04 Eskilstuna, Sweden
Attention: Mrs. Sandra Lindström
Telephone: +46 16 542 06 45
Electronic Mail: sandra.lindstrom@energimyndigheten.se”

The proposed amendments to this Agreement will become effective on the date of your countersignature as provided for herein below.

Sincerely,

On Behalf of the International Bank for Reconstruction and Development, acting as Trustee of Tranche A of the Transformative Carbon Asset Facility

By: Erwin de Nys

Authorized Signature

Name: Erwin De Nys

Title: Manager, Climate Fund Management Unit

Date: 14-Jun-2023

AGREED AND CONFIRMED:

On behalf of the Kingdom of Sweden, acting through the Swedish Energy Agency

By: Sandra Lindstrom

Authorized Signature

Name: Sandra Lindström

Title: Head of International Climate Cooperation

Date: 15-Jun-2023