

Final Terms dated June 27, 2016



International Bank for Reconstruction and Development

U.S.\$4,996,250

**PAF: Emission Reductions Notes (“PAFERNs”) due 2020
issued under its Global Debt Issuance Facility**

Issue Price 40.2857143 per cent.

The International Bank for Reconstruction and Development (the “**Bank**”) is offering U.S.\$4,996,250 of non-interest-bearing PAFERNs due November 30, 2020 (the “**Notes**”) under its Global Debt Issuance Facility (the “**Facility**”). Each holder of Notes will have the right, but not the obligation, upon a maximum of 60 and a minimum of 45 Business Days’ notice, to redeem some or all of its Notes on November 30, 2020 (the “**Maturity Date**”) for U.S.\$8,750.00 (the “**Final Redemption Amount**”) per Specified Denomination of Notes redeemed. As further described herein, the right of a holder to receive the Final Redemption Amount per Specified Denomination of Notes is conditional upon the delivery to the Verification Agent of 2,500 Certified Emission Reductions (“**CERs**”), Verified Carbon Units (“**VCUs**”) or Gold Standard Verified Emission Reductions (“**Gold Standard VERs**”) (each a “**Carbon Credit**”) that are Qualifying Carbon Credits (as defined in these Final Terms) for each Specified Denomination of Notes redeemed and upon satisfaction of the other Conditions to Final Redemption (as defined in these Final Terms). If the Conditions to Final Redemption have not been satisfied, then the Notes will not pay the Final Redemption Amount on the Maturity Date and will expire worthless. No interest is payable on the Notes at any time.

The Notes will be issued on the Issue Date in the form of definitive registered Certificates only and will be registered in the name of the individual Noteholders.

These Final Terms supplement the terms and conditions in, and incorporates by reference, the accompanying Prospectus dated May 28, 2008 and all documents incorporated by reference therein (the “**Prospectus**”), and should be read in conjunction with the Prospectus. Unless otherwise defined in these Final Terms, terms used herein have the meaning given to them in the Prospectus. For a detailed description of the terms of the Notes, see Annex A of these Final Terms beginning on page A-1.

Notwithstanding anything to the contrary in the Prospectus, the Notes will not be listed on any stock exchange.

The Bank is selling the Notes directly to investors on its own behalf and not through any dealers. **The security ratings of the Facility will not apply to the Notes, and the Notes will not be rated.**

Prospective investors should have regard to the risk factors described under the section headed “Risk Factors” in these Final Terms. *The Notes are not conventional debt securities in that they do not pay interest and are not principal protected and as a result prospective investors may lose all of their investment.*

THE NOTES ARE NOT OBLIGATIONS OF ANY GOVERNMENT.

The Bank accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Bank (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

These Final Terms are to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Incorporation by Reference” below).

These Final Terms do not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of these Final Terms in any jurisdiction where such action is required.

THE NOTES ARE NOT REQUIRED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. ACCORDINGLY, NO REGISTRATION STATEMENT HAS BEEN FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “COMMISSION”). THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

AN INVESTMENT IN THE NOTES ENTAILS CERTAIN RISKS, INCLUDING THE RISK OF LOSS OF SOME OR ALL OF YOUR INVESTMENT AND THE RISK THAT THE PRICE OR COST OF THE QUALIFYING CARBON CREDITS IS MORE THAN THE FINAL REDEMPTION AMOUNT PAYABLE ON THE MATURITY DATE. INVESTORS SHOULD HAVE SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO EVALUATE THE MERITS AND RISKS OF INVESTING IN THE NOTES, AS WELL AS ACCESS TO, AND KNOWLEDGE OF, APPROPRIATE ANALYTICAL TOOLS TO EVALUATE SUCH MERITS AND RISKS IN THE CONTEXT OF THEIR FINANCIAL SITUATION. PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW THE INFORMATION SET FORTH AND INCORPORATED HEREIN, INCLUDING WITHOUT LIMITATION, THE INFORMATION SET FORTH UNDER THE CAPTIONS “RISK FACTORS” BEGINNING ON PAGE 5 OF THESE FINAL TERMS AND PAGE 14 OF THE PROSPECTUS.

DERIVATIVES, INCLUDING AGREEMENTS, CONTRACTS OR TRANSACTIONS RELATING TO EMISSIONS, HAVE BECOME SUBJECT TO HEAVY REGULATION AROUND THE GLOBE. NOTEHOLDERS THAT ENGAGE IN DERIVATIVES, INCLUDING THOSE RELATING TO EMISSIONS, WITHIN THE MEANING OF SUCH TERMS AS DEFINED IN ANY RELEVANT JURISDICTION(S) WILL BE SUBJECT TO THE APPLICABLE RULES AND REGULATIONS IN SUCH JURISDICTION(S). THE BANK HAS NOT CONSIDERED NOR WILL IT UNDERTAKE TO CONSIDER WHETHER THE NOTES CONSTITUTE, OR WOULD IN THE HANDS OF CERTAIN HOLDERS CONSTITUTE, DERIVATIVES FOR THE PURPOSES OF SUCH RULES AND REGULATIONS IN ANY JURISDICTION. INVESTORS ARE STRONGLY ENCOURAGED TO CONSIDER THE POTENTIAL IMPACT OF SUCH RULES AND REGULATIONS IN JURISDICTION(S) APPLICABLE TO SUCH NOTEHOLDERS IN CONNECTION WITH THEIR HOLDING OF, AND THE EXERCISE OF THE FINAL REDEMPTION RIGHT WITH RESPECT TO, THE NOTES.

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Incorporation by Reference

The following documents of the Bank are incorporated by reference to these Final Terms: (i) the Global Debt Issuance Facility Prospectus dated May 28, 2008 (the “**Prospectus**”) and (ii) the Information Statement dated September 17, 2015 (the “**Information Statement**”). These documents have been filed with the Commission and are available on the Commission’s website. Alternatively, to obtain copies of these documents, contact your financial adviser.

The provisions of the Prospectus shall be deemed to be incorporated into and form part of these Final Terms in their entirety save that any statement contained in the Prospectus or any other document incorporated by reference herein shall be deemed to be modified or superseded for the purpose of these Final Terms to the extent that a statement contained herein modifies or supersedes, or is inconsistent with, such earlier statement (whether expressly, by implication or otherwise). Any statement in the Prospectus so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of these Final Terms. Terms used herein but not otherwise defined shall have the meanings given to them in the Prospectus. These Final Terms must be read in conjunction with the Prospectus and full information on the Bank and the offer of the Notes is only available on the basis of the combination of the provisions set out within these Final Terms and the Prospectus.

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of the Notes.

For further information and to find out how you can obtain copies of the documents incorporated by reference in the Prospectus, please read the section entitled “Availability of Information and Incorporation by Reference” beginning on page 4 of the Prospectus.

Risk Factors

You should read the risks summarized below in connection with, and the risk summarized below are qualified by reference to, the risks described in more detail in the “Risk Factors” section beginning on page 15 of the Prospectus. Your decision to purchase the Notes should be made only after carefully considering these risks with your investment, legal tax, accounting and other advisers in light of your particular circumstances. The Notes are not an appropriate investment for you if you are not knowledgeable about significant element of the Notes or financial matters in general. Capitalized terms used and not defined in these Risk Factors have the respective meanings ascribed thereto elsewhere in these Final Terms.

Investment at risk

The capital invested in the Notes, represented by the Issue Price is at risk. In addition, any cost of generating Carbon Credits such as inputs to developing Carbon Credit-generating projects, and/or any cost of obtaining Carbon Credits in the secondary market, is also at risk. If a Noteholder fails to exercise its Final Redemption Right, fails to deliver a complete and valid Final Redemption Notice or an EHS Audit Report or otherwise fails to satisfy the Conditions to Final Redemption or fails to identify Qualifying Carbon Credits in its Final Redemption Notice or deliver Qualifying Carbon Credits to the Verification Agent from an Eligible Account, or the Verification Agent determines that the Carbon Credits identified or delivered are not Qualifying Carbon Credits or fails to make a determination, the Notes will expire worthless on the Maturity Date and such Noteholder will lose its entire investment, any costs associated with its purchase of the Notes and/or its development cost associated with generating and/or obtaining Carbon Credits. ***Determinations made by the Verification Agent are final and binding on the Bank and Noteholders.***

Uncertainty of market value as of delivery of Final Redemption Notice and Maturity Date

The Notes contain a Notice Period of a maximum of 60 and a minimum of 45 Business Days prior to the Maturity Date, thereby requiring a decision by the Noteholder as to whether to exercise the Final Redemption Right and identify Carbon Credits to the Verification Agent that must be made no later than 45 Business Days prior to the Maturity Date. The market value of Carbon Credits may change during the Notice Period favourably or unfavourably to the Noteholders. If a Noteholder exercises its Final Redemption Right, the Final Redemption Amount may be less than the market value of Qualifying Carbon Credits as of the Maturity Date, in which case a Noteholder’s prior, binding election to exercise its Final Redemption Right will result in a loss to the Noteholder compared to the then-market value of the Qualifying Carbon Credits.

The market price of the Notes may be influenced by many factors

Many factors, most of which are beyond the Bank’s control, will influence the value of the Notes and the price at which a secondary market participant may be willing to purchase or sell the Notes, including: the current market price of the respective Carbon Credits, interest and yield rates in the market, general macroeconomic and financial, political and regulatory events that affect the investment of industry in carbon-intensive projects and therefore that may restrain or expand the potential secondary market for the Notes and accordingly decrease or increase demand for Carbon Credits and value of the Notes.

The value or trading price of the Notes at any time will reflect changes in market conditions and the market value of Carbon Credits. In recent years, the value of most types of Carbon Credits has been in decline. The Issue Price of the Notes has been set by the market by auction and the Final Redemption Amount has been set by the Bank without reference to option valuation models. The Issue Price and the Final Redemption Amount of the Notes may not reflect the actual value of Carbon Credits for delivery at any point during the Notice Period, including on the day of identification and/or delivery by an exercising Noteholder. The market value of Carbon Credits will change during the term of the Notes and the value of the Final Redemption Right may change as the market price for Carbon Credits changes. Any change in the global conditions that contributed to the decrease in the value of Carbon Credits over the last few years may affect the market price of the Notes, including any market price received by an investor in any secondary market transaction, which may be substantially less than the Final Redemption Amount.

Registry system failure may prevent or delay delivery of Carbon Credits

The suspension of some or all of the processes of the CDM, VCS or Gold Standard registries (each a “**Registry**”) or scheduled or emergency maintenance of the Registry, the failure to operate and maintain the Registry or the discontinuation of the Registry or even the CDM, VCS or Gold Standard, may prevent or delay delivery of Carbon Credits in connection with the exercise of the Final Redemption Right. If this were to occur, Noteholders may be unable to satisfy the Conditions to Final Redemption and the Notes will expire worthless on the Maturity Date and such Noteholder will lose its entire investment, any costs associated with its purchase of the Notes and/or its development cost associated with generating and/or obtaining Carbon Credits.

VCS Registry operation ultimately relies on market demand

The VCS registries are operated by third party service providers (Markit being the platform through which Noteholders are required to deliver VCUs and Gold Standard VERs at this time), who are commercially incentivized to provide this service by the demand for the exchange of VCUs and Gold Standard VERs. If market demand for VCUs or Gold Standard VERs were to significantly decrease in the future, Markit and other VCS registries may ultimately cease to provide their registry service which would prevent the delivery of VCUs or Gold Standard VERs from an Eligible Account. If this were to occur, Noteholders may be unable to satisfy the Conditions to Final Redemption and the Notes will expire worthless on the Maturity Date and such Noteholder will lose its entire investment, any costs associated with its purchase of the Notes and/or its development cost associated with generating and/or obtaining Carbon Credits.

The Notes do not pay interest, do not pay principal upon early redemption, and only pay the Final Redemption Amount at maturity if the Final Redemption Right is properly exercised

The Notes do not bear interest, so there is no return on the Issue Price paid for the Notes. If the Notes are redeemed early for any reason, no principal will be paid on such early redemption. Payment of the Final Redemption Amount is the only payment which the Bank will make on the Notes and then only if the Final Redemption Right has been validly exercised by a Noteholder and the Conditions to Final Redemption have been satisfied by the Noteholders.

Neither the Issue Price nor the Final Redemption Amount for the Notes represents their value at any time

The Issue Price for the Notes has been set by an auction, and the Final Redemption Amount has been set by the Bank without reference to option valuation models. The estimated value of the Notes at the Issue Date may be materially less or more than the Issue Price and/or the Final Redemption Amount.

A secondary market may not develop due to the special nature of investors in the Notes

The Notes are expected to be issued to investors that are active in carbon markets and not to institutional investors generally. As a result of the target market of investors for the Notes, a Noteholder may not be able to sell or transfer its Notes easily or at all.

The Notes are subject to the compliance procedures of the Registrar

The Registrar is a regulated financial institution, and is required to conduct certain “know-your-counterparty” and compliance checks and procedures with respect to the entities with which it does business or to which it renders services. Because the Notes are in the form of definitive registered Certificates, initial investors and prospective transferees of Notes will be subject to such compliance checks and procedures. In order for the Registrar to register the Notes or a transfer of the Notes, any initial investors or prospective transferee must submit to, and satisfy, such checks and procedures as determined by the Registrar in its sole discretion. All determinations by the Registrar are binding on the applicable initial investors or prospective transferee, the transferring Noteholder and the Bank. The requirement for an initial investor to comply with such checks and procedures will restrict its ability to acquire the Notes, and the requirements for a transferee to comply with such checks and procedures may restrict a Noteholder’s ability to sell its Notes easily or at all.

Payments on the Notes are subject to the compliance procedures of the Global Agent and the relevant Paying Agent

Because the Notes are in the form of definitive registered Certificates, any Noteholder entitled to payment on the Notes must satisfy the “know-your-counterparty” and compliance checks and procedures of the Global Agent or the relevant Paying Agent (as the case may be). Any determinations with respect to such compliance are made by the Global Agent or the relevant Paying Agent in its sole discretion. All determinations by the Global Agent or the relevant Paying Agent are binding on the applicable Noteholder and the Bank. Failure to satisfy such checks and procedures could result in a Noteholder experiencing a delay in receipt of payment on the Notes or even not receiving payment on the Notes at all.

There are important deadlines and procedures that you must meet and comply with in order to exercise your Final Redemption Right

Noteholders must ensure delivery of their Final Redemption Notice before the Deadline (5:00 p.m. (GMT) 45 Business Days prior to the Maturity Date) and in accordance with the procedures set out or referred to in the Form of Final Redemption Notice. Failure to do so will result in a failure of the exercise of the Final Redemption Right and the Notes will expire worthless on the Maturity Date and such Noteholder will lose its entire investment, any costs associated with its purchase of the Notes and/or its development cost associated with generating and/or obtaining Carbon Credits.

No transfers of the Notes can be effected at any time on or after 60 Business Days prior to the Maturity Date.

Verification Agent Risk

The Bank has engaged an independent third party Verification Agent to determine if Carbon Credits identified in the Final Redemption Notice and delivered to the Verification Agent in connection with any exercise by a Noteholder of its Final Redemption Right are Qualifying Carbon Credits. The Verification Agent shall determine whether Carbon Credits meet the Eligibility Criteria and are therefore Qualifying Carbon Credits, upon identification of the Carbon Credits in the Final Redemption Notice (the “**First Check**”) and upon subsequent delivery of the Carbon Credits to the Verification Agent (the “**Second Check**” and together with the First Check, each a “**Check**”). An unfavourable determination at either Check is binding on the relevant Noteholder and the Bank, in the case of the Second Check notwithstanding a favourable determination at the First Check, even if the determination at either Check is the result of a mistake by the Verification Agent.

Each Check must happen within the timeframe set out in these Final Terms. Further, at each Check the Verification Agent must send a notice to the Noteholder, the Global Agent, the Calculation Agent and/or the Bank, as applicable, with the results of that Check. A failure of the Verification Agent to make a determination within the required timeframe, or to send the notice, even if a favourable determination is later made or if a timely determination is made but no notice is sent, will result in a failure of the exercise of the Final Redemption Right. All of the External Conditions to Final Redemption, including this timing and notice requirement that depend on the Verification Agent, are outside of the Noteholders’ and the Bank’s control. Notwithstanding this lack of control, a failure of any of the External Conditions to Final Redemption will result in a failure of the exercise of the Final Redemption Right and the Noteholder will receive nothing.

The Bank is not responsible for determinations made by the Verification Agent with respect to identified or delivered Carbon Credits and the Noteholders are dependent solely on the determinations made by the Verification Agent which is final and binding on the Bank and the Noteholders. Although all due care was exercised in the engagement of the Verification Agent, any errors that may occur in the process of determining whether identified or delivered Carbon Credits constitute Qualifying Carbon Credits will be borne by the Noteholders. An identified or a delivered Carbon Credit that is not determined to be a Qualifying Carbon Credit will be rejected by the Verification Agent at the relevant Check, and Noteholders will not be able to submit other Carbon Credits or resubmit a Final Redemption Notice with respect to the same Notes. In addition, neither the Bank nor any Noteholder will have any recourse against the Verification Agent, and such Noteholder will not have any recourse against the Bank, for the Verification Agent’s determination at either Check. In such a case, where the Carbon Credits are rejected at either Check, no Final Redemption Amount

will be paid to such Noteholder, such Noteholder's definitive registered Certificate(s) will not be returned to it and will be cancelled, and such Noteholder will lose all of its investment in the Notes, any costs associated with its purchase of the Notes and/or its development costs associated with generating and/or obtaining Carbon Credits.

Regulation of emissions derivatives

Derivatives, including agreements, contracts or transactions relating to emissions, have become heavily regulated across the globe, including certain derivatives becoming subject to mandatory clearing, trade, execution, reporting and recordkeeping requirements, amongst other requirements. Noteholders that engage in derivatives, including those relating to emissions, as such are defined in any jurisdictions applicable to such Noteholders, will be subject to the rules and regulations regarding their derivatives-related activities applicable in such relevant jurisdictions. The Bank has not considered, and will not undertake to consider, an analysis of the initial purchase or secondary market sales of the Notes under the rules and regulations relating to derivatives that may be applicable to the Noteholders. Prior to investing in the Notes, investors are strongly encouraged to obtain advice regarding the potential impact of such rules and regulations in the applicable jurisdictions in connection with the purchase, transfer and holding of, and exercise of the Final Redemption Right with respect to, the Notes.

Summary

This summary section forms part of these Final Terms relating to the Notes. It is intended for introductory purposes only. It may neither be separated from the rest of these Final Terms nor relied upon as complete if separated from the more complete disclosure contained herein. Any decision to invest in the Notes should be based on a consideration by any potential investor of these Final Terms as a whole, including any schedules, appendices and annexes hereto and any documents incorporated by reference.

The PAF

The Pilot Auction Facility for Methane and Climate Change Mitigation (“**PAF**”) is an innovative climate finance mechanism developed by the World Bank Group to stimulate investment in projects that reduce greenhouse gas emissions while maximizing the impact of public funds and leveraging private sector financing. It is a results-based mechanism that works by setting a floor price for emission reductions generated in respect of certain projects and programs. The goals of the PAF are achieved by the auction of PAFERs that give holders the right, but not the obligation, to sell to the PAF emission reductions generated through the operation of projects or purchased on the secondary market.

In connection with the PAF, the Bank will issue separate series of PAFERs, each containing a right of redemption which corresponds to future emission reductions related to particular areas of methane and climate change mitigation as may be determined from time to time with respect to each series of PAFERs.

For each notes issuance, such as the Notes, the PAF establishes a list of eligibility criteria based on the country of origination, type of Carbon Credit and other environmental and social criteria (the criteria applicable to the Notes set out in Exhibit 2 to Annex A, the “**Eligibility Criteria**”).

In the case of the Notes, the PAF will set a floor price for Carbon Credits generated in respect of methane capture or avoidance at existing landfill water, waste water treatment facilities and composting & agricultural water project sites registered under the CDM, VCS or the Gold Standard (each an “**Approved Carbon Standard**”).

The Auction

A competitive auction conducted by the Bank on May 12, 2016 (the “**Auction Date**”) set (a) the Issue Price for the Notes and (b) the integral multiples of Carbon Credit Lots applicable to the Notes, resulting in the Aggregate Nominal Amount of Notes being U.S.\$4,996,250. The amount payable per Carbon Credit that is (x) identified in a Final Redemption Notice as part of a block of 2,500 Carbon Credits in respect of which each Carbon Credit is from the same Monitoring Period (in respect of CERs) or Vintage Period (in respect of VCUs and Gold Standard VERs) and Project or POA (each a “**Carbon Credit Lot**”) and (y) determined by the Verification Agent to satisfy the Eligibility Criteria (each such Carbon Credit, a “**Qualifying Carbon Credit**”) is U.S.\$3.50, resulting in the Final Redemption Amount per 2,500 Qualifying Carbon Credits being U.S.\$8,750.00.

Summary of Terms

Pursuant to these Final Terms, the Bank is issuing U.S.\$4,996,250 Aggregate Nominal Amount of non-interest-bearing PAFERs due November 30, 2020 under the Facility.

The Bank has engaged Kommunalkredit Public Consulting GmbH, an independent third party agent (the “**Verification Agent**”) to determine, in accordance with the Eligibility Criteria, whether Carbon Credits identified in a valid and complete Final Redemption Notice and delivered to the Verification Agent are Qualifying Carbon Credits. The Verification Agent shall determine whether Carbon Credits meet the Eligibility Criteria and are therefore Qualifying Carbon Credits, upon identification of the Carbon Credits in the Final Redemption Notice (the “**First Check**”) and upon subsequent delivery of the Carbon Credits to the Verification Agent (the “**Second Check**” and together with the First Check, each a “**Check**”). Determinations of the Verification Agent at each Check (or failure of the Verification Agent to make a determination at either Check) are final and binding on the Bank and the Noteholders.

Any integral multiple of a Carbon Credit Lot may be identified in a Final Redemption Notice for the First Check by the Verification Agent and, provided the First Check is favourable, for subsequent delivery to the Verification Agent for the Second Check. Any Carbon Credits delivered to the Verification Agent that do not constitute integral multiples of a Carbon Credit Lot will be automatically rejected. Any VCUs or Gold Standard VERs which have not been delivered from an Eligible Account will be rejected. For the avoidance of doubt, if the serial numbers of the Carbon Credits delivered by a Noteholder at the Second Check do not match the serial numbers of the Carbon Credits identified in such Noteholder’s Final Redemption Notice delivered for the First Check, the Carbon Credit Lots containing non-matching serial numbers will be rejected. The exercise of the Final Redemption Right will be successful with respect to each integral multiple of Carbon Credit Lots that passes both Checks.

The table set out immediately below is a high-level summary of the terms set out in Annex A. Investors should carefully read Annex A.

Issuer	International Bank for Reconstruction and Development (the “ Bank ”)
Dealers	None
Global Agent	Citibank, N.A., London Branch
Paying Agent and Transfer Agent.	Citibank, N.A., London Branch
Registrar and Transfer Agent	Citigroup Global Markets Deutschland AG
Verification Agent.....	Kommunalkredit Public Consulting GmbH, or any successor or replacement appointed by the Bank
Calculation Agent.....	Citibank, N.A., London Branch
Currency	U.S. dollars
Carbon Credit Lot	A block of 2,500 Carbon Credits in respect of which each Carbon Credit is from the same Monitoring Period in respect of CERs or Vintage Period in respect of VCUs or Gold Standard VERs and Project or POA.
Maturity Date	November 30, 2020
Issue Date	June 27, 2016
Issue Price	40.2857143%
Method of Issue.....	Notes will not be issued through dealers. The Bank will sell Notes itself directly to investors.
Description of Notes	The Notes are non-interest-bearing unsecured obligations of the Bank redeemable at the option of the Noteholder on the Maturity Date, provided a Final Redemption Notice is delivered during the Notice Period and the Conditions to Final Redemption are satisfied.
Final Redemption Right	Each Noteholder may redeem some or all of its Notes in integral multiples of the Specified Denomination on, but not prior to, the Maturity Date upon a maximum of 60 and a minimum of 45 Business Days’ notice (the “ Notice Period ”).
Final Redemption Amount	U.S.\$8,750.00 per Specified Denomination, provided that the Conditions to Final Redemption are satisfied.
.....	

Conditions to Final Redemption ...	<p>The following conditions must be met for the valid exercise of the Final Redemption Right and payment of the Final Redemption Amount:</p> <ul style="list-style-type: none"> (i) Valid and complete Final Redemption Notice delivered during the Notice Period; (ii) Delivery of the definitive registered Certificate(s) representing the Notes to which the Final Redemption Notice relates; (iii) Carbon Credits identified in the Final Redemption Notice are delivered from an Eligible Account to the Verification Agent in integral multiples of Carbon Credit Lots no later than 15 Business Days prior to the Maturity Date; (iv) Carbon Credits identified in the Final Redemption Notice and then delivered to the Verification Agent have passed the First Check and Second Check and therefore on delivery were Qualifying Carbon Credits; and (v) Timely determination by the Verification Agent of whether and how many Qualifying Carbon Credit Lots have been identified as part of the First Check and delivered as part of the Second Check.
Qualifying Carbon Credits	Carbon Credits that have been identified in a Final Redemption Notice and determined by the Verification Agent to satisfy the Eligibility Criteria.
Interest Rate	None. The Notes do not bear interest.
Status of Notes	Notes will constitute direct, unsecured obligations of the Bank ranking <i>pari passu</i> with all its other unsecured and unsubordinated obligations. Notes will not be obligations of any government.
Form of Notes	The Notes will be issued in the form of definitive registered Certificates.
Initial Delivery of Notes.....	On the Issue Date, the Registrar will make entries in the Register corresponding to the definitive registered Certificates being issued. Each Noteholder will receive one definitive registered Certificate for its entire holding of Notes. Definitive registered Certificates will be delivered or sent to each Noteholder at the address specified by such Noteholder.
Clearing Systems.....	None.
Specified Denominations	U.S.\$8,750.00, reflecting U.S.\$3.50 per Carbon Credit.
Listing	The Notes will not be listed.
Ratings	The Notes will not be rated.
Governing Law.....	English law
Selling Restrictions	The sale and delivery of Notes, and the distribution of offering material relating to the Notes, are subject to certain restrictions in various jurisdictions as set forth in the Prospectus and these Final Terms.

Annex A
to the Final Terms Dated June 27, 2016
International Bank for Reconstruction and Development

Issue of U.S.\$4,996,250 PAF: Emission Reduction Notes (“**PAFERNs**”) due 2020
under the Global Debt Issuance Facility

Terms used herein shall be deemed to be defined as provided in the terms and conditions (the “**Conditions**”) set forth in the Prospectus dated May 28, 2008. This document forms an integral part of the Final Terms of the Notes and must be read in conjunction with such Prospectus.

THE NOTES

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|---|---|
| 1. Issuer: | International Bank for Reconstruction and Development (the “ Bank ”) |
| 2. (i) Series Number: | 4610 |
| (ii) Tranche Number: | 1 |
| 3. Specified Currency (Condition 1(d)): | United States Dollars (“ U.S.\$ ”) |
| 4. Aggregate Nominal Amount: | |
| (i) Series: | U.S.\$4,996,250 |
| (ii) Tranche: | U.S.\$4,996,250 |
| 5. Issue Price: | 40.2857143 per cent. of the Aggregate Nominal Amount, equal to U.S.\$3,525.00 per U.S.\$8,750.00 Specified Denomination, as determined through the competitive auction. |
| 6. Specified Denomination (Condition 1(b)): | U.S.\$8,750.00, reflecting U.S.\$3.50 per Carbon Credit. |
| 7. Issue Date: | June 27, 2016 |
| 8. Maturity Date (Condition 6(a)): | November 30, 2020 |
| 9. Interest Basis (Condition 5): | None |
| 10. Redemption/Payment Basis (Condition 6): | Final Redemption Amount payable on the Maturity Date, provided the Conditions to Final Redemption are satisfied. |
| 11. Change of Interest or Redemption/Payment Basis: | None |
| 12. Call/Put Options (Condition 6): | None |
| 13. Status of the Notes (Condition 3): | Unsecured and unsubordinated |
| 14. Listing: | None |
| 15. Method of distribution: | Direct sale by the Bank to investors |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions (Condition 5(a)):	Not Applicable
17. Floating Rate Note Provisions (Condition 5(b)):	Not Applicable
18. Zero Coupon Note Provisions (Condition 5(c)):	Not Applicable
19. Index Linked Interest Note/other variable-linked interest Note Provisions (Condition 5):	Not Applicable
20. Dual Currency Note Provisions (Condition 5(d)):	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21. Call Option (Condition 6(d)):	Not Applicable
22. Put Option (Condition 6(e)):	Not Applicable
23. Final Redemption Amount of each Note (Condition 6):	U.S.\$8,750.00 per Specified Denomination, provided the Conditions to Final Redemption are satisfied.

The “**Conditions to Final Redemption**” consist of the “Noteholder Conditions to Final Redemption” and the “External Conditions to Final Redemption”.

The “**Noteholder Conditions to Final Redemption**” are:

- (i) Delivery to the Global Agent on any Business Day during the Notice Period and in any event before the Deadline, of (a) a valid and complete Final Redemption Notice identifying integral multiples of Carbon Credit Lots per Specified Denomination, for the First Check and otherwise in the form of Exhibit 2 to this Annex A, with an email copy to each of the Verification Agent and the Bank, and (b) the definitive registered Certificates representing the Notes to which the Final Redemption Notice relates;
- (ii) Delivery to the Verification Agent on any Business Day during the Notice Period and in any event before the Deadline, of an EHS Audit Report in respect of each Carbon Credit Lot per Specified Denomination identified in the Final Redemption Notice delivered for the First Check; and
- (iii) No later than 15 Business Days prior to the Maturity Date, delivery of each Carbon Credit Lot per Specified Denomination, from an Eligible Account in accordance with the procedures set out in Exhibit 4 to this Annex A, to the Verification Agent’s Carbon Credit Account of all Carbon Credit Lots per Specified Denomination that received a favourable determination at the First Check.

The “**External Conditions to Final Redemption**” are:

- (i) No later than 30 Business Days prior to the Maturity Date, the Verification Agent's (a) performance of the First Check to determine, in its sole discretion, how many, if any, of the Carbon Credit Lots per Specified Denomination identified in the Final Redemption Notice are made up of 100% Qualifying Carbon Credits and (b) sending of a confirmation to the Noteholder; and
- (ii) No later than 10 Business Days prior to the Maturity Date, the Verification Agent's (a) performance of the Second Check to determine, in its sole discretion, how many, if any, Carbon Credit Lots that passed the First Check and have been delivered to a Verification Agent's Carbon Credit Account from an Eligible Account (see item 29 below) are made up of 100 % Qualifying Carbon Credits and (b) sending of a confirmation to the Global Agent, the Calculation Agent and the Bank.

Delivery of a Final Redemption Notice is irrevocable.

Each Condition to Final Redemption is subject to the timeline, mechanics and procedures, as applicable, set out in the Exhibits to this Annex A.

Carbon Credit Lots that are determined not to contain 100% Qualifying Carbon Credits at either the First Check or the Second Check (including, for the avoidance of doubt, those Qualifying Carbon Credits that do not constitute a full Carbon Credit Lot) or which have not been delivered from an Eligible Account will be rejected by the Verification Agent and Carbon Credits as to which the Verification Agent fails to make a determination within the required timeframe at either Check will be deemed rejected, and in either case Noteholders will not be able to identify or deliver other Carbon Credit Lots or resubmit a Final Redemption Notice with respect to the same Notes. Definitive registered Certificates submitted with a Final Redemption Notice will not be returned to the relevant Noteholder and will be cancelled. Neither the Bank nor the Noteholders will have any recourse against the Verification Agent, and Noteholders will have no recourse against the Bank, for the Verification Agent's determinations or failure to make determinations within the required timeframes.

Upon notification by the Verification Agent to the Global Agent, the Calculation Agent and the Bank that the Conditions to Final Redemption are satisfied:

- (i) The Calculation Agent will calculate the relevant payment of Final Redemption Amounts due to a Noteholder; and

- (ii) The Paying Agent will make payment of relevant Final Redemption Amounts to such account of a Noteholder recorded in the Register maintained by the Registrar.

For the avoidance of doubt, the Paying Agent's obligation to make payment is conditional on receipt from the Verification Agent of notification that the Conditions to Final Redemption are satisfied.

"Business Day" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in The City of New York and London.

"Carbon Credit Lot" means blocks of 2,500 Carbon Credits in respect of which each Carbon Credit is from the same Monitoring Period in respect of CERs or Vintage Period in respect of VCUs or Gold Standard VERs and Project or POA.

"Deadline" means 5:00 p.m. (GMT) on the last Business Day during the Notice Period.

"Eligible Account" means: in respect of CERs, the CDM registry and in respect of VCUs or Gold Standard VERs, an account in the Markit registry or its successor, or such other account notified in writing to the Noteholders by the Bank no later than 45 Business Days prior to the Maturity Date.

"Final Redemption Right" means a right to redeem Notes in accordance with these Final Terms.

"Monitoring Period" means the time period specified in a monitoring report during which the emissions reductions were generated and have been verified by a DOE (as defined in Exhibit 2 to Annex A).

"Notice Period" means a maximum of 60 and a minimum of 45 Business Days prior to the Maturity Date (without prejudice to the foregoing, those dates are currently expected to be September 1, 2020 to September 23, 2020, inclusive).

"Qualifying Carbon Credit" means a Carbon Credit that is (i) identified in a Final Redemption Notice as part of a Carbon Credit Lot and (ii) satisfies the Eligibility Criteria.

"Vintage Period" means the time period for which a particular set of emission reductions or removals generated by a VCU Project or Gold Standard VER Project or VCU POA or Gold Standard POA are verified and which may be a subset of a verification or monitoring period.

- 24. Early Redemption Amount of each Note (Condition 6(c)):

Early Redemption Amount(s) per Calculation Amount payable on event of default or other early

None. The only amount payable is the Final Redemption Amount, if any. See item 23 above.

redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes (Condition 1(a)): Registered Notes:
Definitive registered Certificates available on Issue Date
26. New Global Note: No
27. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): New York and London
28. Governing law of the Notes (Condition 14): English law
29. Other final terms: The “closed period” for purposes of Condition 2(g) begins on the first day of the Notice Period, such that transfers of the Notes will not be permitted at any time on or after 60 Business Days prior to the Maturity Date (without prejudice to the foregoing, that date is currently expected to be September 1, 2020).
- The Bank will give not less than 5 nor more than 20 Business Days’ notice to the Noteholders of the commencement of the Notice Period. For the avoidance of doubt, the Bank’s delivery of this notice is for the convenience of Noteholders only and the Notice Period will apply notwithstanding any failure of the Bank to deliver such notice.
- Verification Agent Carbon Credit Account (the “**Verification Agent’s Carbon Credit Account**”):
- In respect of CERs: Account Number: CH-100-2115-0;
Account Name: KPC
- In respect of VCUs: Markit Registry Account Number: 103000000011580; Account Name: Kommunalkredit Public Consulting Gmbh - PAF
- In respect of Gold Standard VERs: Markit Registry Account Number: 103000000011581; Account Name: Kommunalkredit Public Consulting Gmbh - PAF (GSF)
- Notes in respect of which the Final Redemption Right has not been exercised, or in respect of which the Final Redemption Right has been exercised but for which the Conditions to Final Redemption have not been satisfied, will expire worthless on their Maturity Date and the corresponding entry on the Register maintained by the Registrar will be written down to zero.

DISTRIBUTION

30. (i) If syndicated, names of Managers and underwriting commitments: Not Applicable
- (ii) Stabilizing Manager(s) (if any): Not Applicable
31. If non-syndicated, name of Dealer: Not Applicable
32. Total commission and concession: Not Applicable
33. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

34. ISIN Code: Not Applicable
35. Common Code: Not Applicable
36. CUSIP: Not Applicable
37. CINS: Not Applicable
38. Unique/Common Identifier PAFERN200004
39. Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme* and The Depository Trust Company and the relevant identification number(s): Not Applicable
40. Calculation Agent: Citibank, N.A., London Branch
41. Delivery: Delivery free of payment
42. Registrar and Transfer Agent (if any): Citigroup Global Markets Deutschland AG
43. Intended to be held in a manner which would allow Eurosystem eligibility: No

GENERAL INFORMATION

IBRD's most recent Information Statement was issued on September 17, 2015.

RESPONSIBILITY

IBRD accepts responsibility for the information contained in these Final Terms.

Signed on behalf of IBRD:

By: _____

Name:

Title:

Duly authorized

Exhibit 1 to Annex A

to the Final Terms dated June 27, 2016

Timeline for Identification and Delivery of Notes and Qualifying Carbon Credits for Redemption

The following sets out the timetable for the Notes redemption process, where T = the Maturity Date of the Notes:

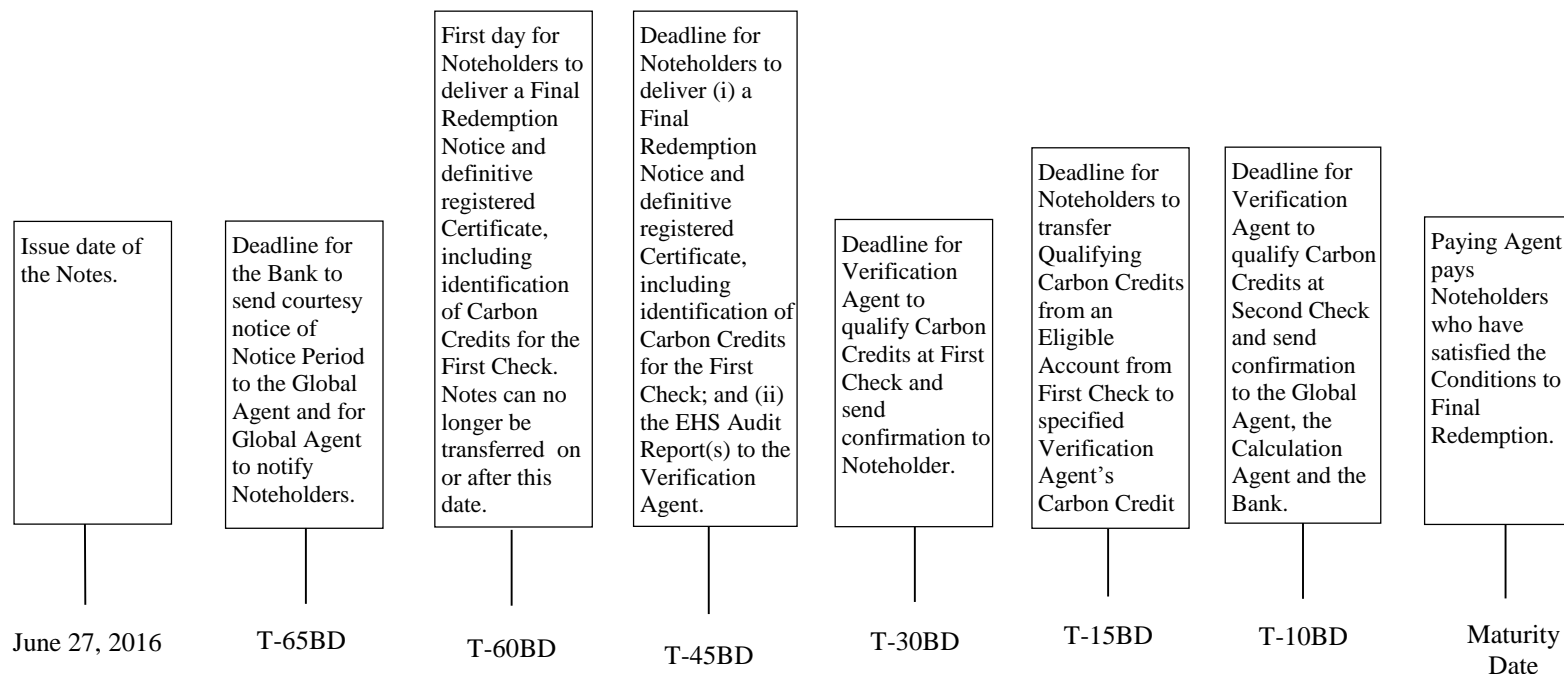


Exhibit 2 to Annex A
to the Final Terms dated June 27, 2016
Eligibility Criteria

1. To be eligible to exercise the Final Redemption Right on the Maturity Date, an emission reduction (“ER”) must:

- (a) be one of the following types of certified ERs:
- (i) a CER generated in respect of a Clean Development Mechanism (“**CDM**”), project activity (“**CDM Project**”) or CDM Programme of Activity (“**CDM POA**”), as each is defined in the United Nations Framework Convention on Climate Change (“**UNFCCC**”) Glossary of Clean Development Mechanism terms, version 8.0, that uses one or more of the CDM methodologies listed under “Methodologies”, below and may, for the avoidance of doubt, be part of a CDM POA or a CPA which includes methodologies other than those listed under “Methodologies”, below, so long as at least one of the CDM methodologies applied is listed under “Methodologies” below;
 - (ii) a VCU generated in respect of a VCS project activity (“**VCS Project**”), or VCS Programme of Activity (“**VCS POA**”), as each is defined in the VCS Rules arising from activities which have been verified and passed the completeness check undertaken by the VCSA in accordance with the VCS Rules that uses the VCS methodology or one or more of the CDM methodologies listed under “Methodologies”, below and may, for the avoidance of doubt, be part of a VCS POA or a CPA which includes methodologies other than the VCS methodology or CDM Methodologies listed under “Methodologies” below, so long as at least one of the methodologies applied is either the VCS methodology or one of the CDM Methodologies listed under “Methodologies” below;
 - (iii) a VER generated in respect of a Gold Standard project activity (“**Gold Standard VER Project**”) or Gold Standard Programme of Activity (“**Gold Standard POA**”) as each is defined in the Gold Standard, arising from activities which have been verified and passed the completeness check undertaken by the Gold Standard Foundation in accordance with the Gold Standard Version 2.2, that uses the Gold Standard VER methodology or one or more of the CDM methodologies listed under “Methodologies”, below and may, for the avoidance of doubt, be part of a Gold Standard POA or a CPA which includes methodologies other than the Gold Standard VER methodology or CDM methodologies listed under “Methodologies”, below, so long as at least one of the methodologies applied is either the Gold Standard VER Methodology or one of the CDM methodologies listed under “Methodologies” below;
- (b) have been generated by a CDM Project, VCS Project or Gold Standard VER Project (each, a “**Project**”) or CDM POA, VCS POA or Gold Standard POA (each, a “**POA**”) that has a host country listed under “Host Countries,” below. In cases of multi-country POAs, all host countries must be listed under “Host Countries”, below;
- (c) have been generated by a Project or POA that has received an environmental, health & safety, social and integrity (“**EHS**”) audit report (an “**EHS Audit Report**”)¹ indicating that it has achieved an unqualified “pass”. This report must be prepared by a Designated Operational Entity accredited by the CDM in accordance with Paragraph 20 of the CDM Modalities and Procedures (a “**DOE**”), this accreditation being in effect during the assessment of the EHS Criteria specified below up to and including the date of the EHS

¹ A template EHS Audit Report, the stakeholder meeting guidance note and a template for operator representation are available on the PAF website.

Audit Report. Verification of the DOE’s accreditation will only be made by the Verification Agent based on publicly available information as at the end of the 15-day period of the First Check. The EHS Audit Report must be completed based on up to date information no more than 608 days prior to the Maturity Date. A Project or POA will only be eligible to receive a “pass” result if the DOE, referring to relevant supporting evidence and/or written reasons for coming to this conclusion, has provided an unqualified opinion that each of the EHS Criteria has either been satisfied or is not applicable. A failure to satisfy any of the EHS Criteria written in italics will automatically trigger a “fail” result. A failure to satisfy any of the non-italicized EHS Criteria will also trigger a “fail” result unless the DOE determines that such failure to satisfy the specific EHS Criteria is not Material. An issue will be deemed “**Material**” in this context if the issue could result in: (i) risk to the lives, to the health or safety of workers and affected communities or the integrity of the local environment (e.g., ground or surface water quality, habitat quality); (ii) harming the reputation of the Project or POA or an affiliate or shareholder of an Operator, lender or other finance provider in respect of the Project or POA; (iii) causing adverse media attention; and/or (iv) being the subject of claims, proceedings, or fines;

(d) have been issued on or after April 1, 2019 until September 23, 2020, where:

- (i) in respect of CERs, the date of issuance is the date on which the Executive Board of the CDM instructed the CDM registry administrator to issue a specified quantity of CERs for the CDM Project or CDM POA into the pending account of the Executive Board in the CDM registry, in accordance with paragraph 66 and Appendix D of the CDM Modalities and Procedures;
- (ii) in respect of VCUs, the date of issuance is the date on which the VCS registry administrator issues VCUs into a VCS registry account, as reflected in the VCS Project Database in accordance with the VCS Rules; and
- (iii) in respect of Gold Standard VERs, the date of issuance is the date on which the Gold Standard specified a quantity of Gold Standard VERs to be issued in the Gold Standard registry, in accordance with the Gold Standard;

(e) have been generated during a Monitoring Period (in respect of CERs) or a Vintage Period (in respect of VCUs or Gold Standard VERs), as each is defined in the applicable Approved Carbon Standard that commenced on or after May 12, 2016; and

(f) in respect of each Carbon Credit Lot identified in a Final Redemption Notice of which it is a part, be generated by a single Project or POA, in respect of the same Monitoring Period in respect of CERs or Vintage Period in respect of VCUs or Gold Standard VERs.

2. Methodologies

(a) CDM

AM0002, AM0003, AM0006, AM0010, AM0011, AM0013, AM0016, AM0022, AM0025, AM0057, AM0069, AM0073, AM0080, AM0083, AM0093, AM0112, ACM0001, ACM0010, ACM0014, ACM0022, ACM0024, AMS-III.D., AMS-III.E., AMS-III.F., AMS-III.G., AMS-III.H., AMS-III.I., AMS-III.L, AMS-III.O, AMS-III.R, AMS-III.Y., AMS-III.AF., AMS-III.AO, AMS-III.AU, AMS-III.AX

(b) VCS

VMR0003

(c) Gold Standard VERs

Gold Standard Revised consolidated baseline methodology for GHG emission reductions from manure management systems and municipal solid waste, v.1.0.

3. Host Countries

Afghanistan	Egypt	Malawi	Serbia
Albania	El Salvador	Malaysia	Seychelles
Algeria	Equatorial Guinea	Maldives	Sierra Leone
Angola	Eritrea	Mali	Solomon Islands
Antigua and Barbuda	Ethiopia	Marshall Islands	Somalia
Argentina	Fiji	Mauritania	South Africa
Armenia	Gabon	Mauritius	South Sudan
Azerbaijan	Gambia, The	Mexico	Sri Lanka
Bangladesh	Georgia	Micronesia	Sudan
Belize	Ghana	Moldova	Suriname
Benin	Grenada	Mongolia	Swaziland
Bhutan	Guatemala	Montenegro	Syria
Bolivia	Guinea	Morocco	Tajikistan
Bosnia and Herzegovina	Guinea-Bissau	Mozambique	Tanzania
Botswana	Guyana	Myanmar	Thailand
Brazil	Haiti	Namibia	Timor-Leste
Burkina Faso	Honduras	Nepal	Togo
Burundi	India	Nicaragua	Tonga
Cambodia	Indonesia	Niger	Trinidad and Tobago
Cameroon	Iran	Nigeria	Tunisia
Cape Verde	Iraq	Pakistan	Turkmenistan
Central African Republic	Jamaica	Palau	Tuvalu
Chad	Jordan	Panama	Uganda
Chile	Kazakhstan	Papua New Guinea	Uruguay
Colombia	Kenya	Paraguay	Uzbekistan
Comoros	Kiribati	Peru	Vanuatu
Congo, Dem Rep of	Kyrgyzstan	Philippines	Venezuela
Congo, Rep of	Laos	Rwanda	Vietnam
Costa Rica	Lebanon	Saint Kitts and Nevis	Yemen
Côte d'Ivoire	Lesotho	Saint Lucia	Zambia
Djibouti	Liberia	Saint Vincent and the Grenadines	Zimbabwe
Dominica	Libya	Samoa	
Dominican Republic	Macedonia	São Tomé and Príncipe	
Ecuador	Madagascar	Senegal	

4. EHS Criteria

(i) Projects at Existing² Landfill Waste Project Sites: EHS Criteria

PS 1: Assessment & Management of Environmental and Social Risks and Impacts

- Landfill site and Project each possess the required necessary environmental, health & safety and social (EHS) permits and are in compliance with EHS Permit conditions, based on monitoring and reporting documentation and landfill/Project Operator representations.
- No social unrest or negative campaign by affected communities³ or NGOs involving either the landfill site or the Project in relation to the lives or health & safety of workers and affected communities and the integrity of the local environment in the past 12 months, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

PS 2: Labor & Working Conditions

- *No child labor (i.e. hazardous or potentially harmful work involving persons under the age of 15 yrs, or 18 yrs for hazardous work) or forced labor (where work is not undertaken voluntarily, or is undertaken under threat of penalty) involved in landfill or Project site-related works.*
- Effective measures in place to protect landfill and Project workers from key safety risks⁴, including provision of adequate personal protective equipment. Safety measures on the Project to include proper ventilation of confined spaces used by workers, use of flame arrestors under the gas flare and proper flare placement to prevent fires and (at large sites), gas leak monitoring during start-up.

PS 3: Resource Efficiency and Pollution Prevention

- Hazardous waste segregated, transported and handled and managed at the landfill site in such a way as to prevent harm to employees, neighboring communities, soil, surface and groundwater sources.
- Leachate is being managed in such a way as to minimize or eliminate leachate from entering surface and sub-surface water sources through physical measures, e.g. good waste cover practices, use of liners, leachate collection & or treatment systems, storm water management, and regular monitoring and testing programs.
- Air emissions from the landfill site and Project are being controlled through the installation and operation of a landfill gas (LFG) collection and destruction system. This system is being maintained and operated in such a way as to maximize LFG extraction and destruction and minimize fugitive air emissions, in compliance with local regulations.

PS 4: Community Health, Safety and Security

- Effective measures in place to prevent uncontrolled public/livestock access to the landfill and Project sites.
- Where waste scavengers are present at the landfill site, no children or domestic animals permitted/present in potentially hazardous areas; scavengers' access and activities managed such that key risks (as listed in footnote 3) to their health and safety are minimized.
- *Protection against fire/explosion from gas collection, transport and usage in place at the Project, as appropriate to Project characteristics.*

PS 5: Land Acquisition & Involuntary Resettlement

- *No forcible displacement of scavengers from salvage sites for the purposes of establishing the Project.*
- No notable reputational risk associated with legacy (historic) impacts of the landfill or Projects, on land acquisition or involuntary resettlement of people, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

² The host site must have been built and/or operational prior to the Auction Date.

³ Groups of people within affected communities with sustained and active grievances (not individual claims or protests)

⁴ For example: collisions with mobile equipment, collapse of unstable piles, fires, explosions, exposure to sharps, chemical burns, smoke, bio-aerosols and infectious agents.

PS 6: Biodiversity Conservation & Sustainable Management of Living Natural Resources

- *No ongoing adverse impacts from the landfill or Project on recognized protected (conservation) areas, sensitive habitats or vulnerable or endangered species, based on the project EIA, third party EHS audit(s), environmental permitting documentation or similar; outcomes of a meeting with directly affected communities; and Operator representations.*
- No notable reputational risk associated with legacy impacts of the landfill or Projects on recognized protected (conservation) areas, sensitive habitats or vulnerable / endangered species, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

PS 7: Indigenous Peoples

- *No ongoing adverse impacts from the landfill site or Project on recognized communities of Indigenous Peoples⁵ (IPs, if any are present) or IP customary lands, based on outcomes of a meeting with directly affected communities and review of Project documentation, i.e. EIA, third party audit(s) and/or environmental permitting documentation.*
- No notable reputational risk associated with legacy impacts of the landfill site or Project on recognized communities of IPs or IP customary lands, based on an electronic media review, outcomes of a meeting with directly affected communities and Operator representations.

PS 8: Cultural Heritage

- *No ongoing adverse impacts from the landfill or Project on key cultural heritage features as identified in the Project EIA, third party EHS audit(s), environmental permitting documentation, outcomes of a meeting with directly affected communities, and Operator representations.*
- No notable reputational risk associated with legacy impacts of the landfill or Project sites on key cultural heritage features, based on an electronic media review, outcomes of a meeting with directly affected communities and Operator representations.

Integrity Criteria

- Project Participant does not appear on either the Consolidated United Nations Security Council Sanctions List or The World Bank Listing of Ineligible Firms & Individuals as of the date of the independent inspection report.

⁵ As defined in IFC Performance Standard 7.

(ii) Projects at Existing⁶ Waste Water Treatment Facility Project Sites: EHS Criteria

PS 1: Assessment & Management of Environmental and Social Risks and Impacts

- WWTP site and Project each possess the required environmental, health & safety & social (EHS) permits and are in compliance with EHS Permit conditions, based on monitoring and reporting documentation and WWTP/Project Operator representations.
- No social unrest or negative campaign by affected communities⁷ or NGOs involving either the WWTP site or Project in relation to the lives or health & safety of workers and affected communities and the integrity of the local environment in the past 12 months, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

PS 2: Labor & Working Conditions

- *No child labor (i.e. involving persons under the age of 15 yrs, or 18 yrs for hazardous work) or forced labor (where work is not undertaken voluntarily, or is undertaken under threat of penalty) involved in WWTP or Project site-related works.*
- Effective measures in place to protect WWTP and Project workers from key safety risks⁸, including provision of appropriate personal protective equipment. Safety measures on the Project to include proper ventilation of confined spaces used by workers, use of flame arrestors under the gas flare and proper flare placement to prevent fires and (at large sites), gas leak monitoring during start-up.

PS 3: Resource Efficiency and Pollution Prevention

- Hazardous chemicals used on WWTP site such as chlorine, sodium and calcium hypochlorite, and ammonia, properly stored and clearly labelled (indicating contents, warnings and intended uses); spill prevention and treatment procedures in place in case of a workplace accident.
- No disposal of untreated or partially treated wastewater from WWTP, unless clearly specified in environmental permit conditions (e.g. releases authorized under emergency conditions).
- Treated WWTP effluent from the WWTP and Project sites controlled through use of appropriate technology and monitored at least annually to ensure compliance with applicable effluent quality limits.

PS 4: Community Health, Safety and Security

- Measures in place to prevent uncontrolled public/livestock access to the WWTP and Project sites.
- Emergency preparedness plan, procedure or similar in place to deal with possible hazardous materials spillages outside of the Project boundary (e.g. chlorine spills during transport, untreated wastewater/sewage release) from WWTP activities.

PS 5: Land Acquisition & Involuntary Resettlement

- No notable reputational risk associated with legacy (historic) impacts of the WWTP or Projects on land acquisition or involuntary resettlement of people, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

PS 6: Biodiversity Conservation & Sustainable Management of Living Natural Resources

- *No ongoing adverse impacts from the WWTP or Project on recognized protected (conservation) areas, sensitive habitats or vulnerable or endangered species, based on the project EIA, third party EHS audit(s), environmental permitting documentation or similar; outcomes of a meeting with directly affected communities; and Operator representations.*
- No notable reputational risk associated with legacy impacts of the WWTP or Project sites on recognized protected (conservation) areas, sensitive habitats or vulnerable / endangered species, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

⁶ The host site must have been built and/or operational prior to the Auction Date.

⁷ Groups of people within affected communities with sustained and active grievances (not individual claims or protests)

⁸ E.g.: Drowning, chemical burns, work at height, exposure to asphyxiates, pathogens and hazardous spills, noise.

- *No palm oil related waste material is processed or otherwise utilized at the WWTP site or Project.*

PS 7: Indigenous Peoples

- *No ongoing adverse impacts from the WWTP or Project on recognized communities of Indigenous Peoples⁹ (IPs, if any are present)) or IP customary lands, based on outcomes of a meeting with directly affected communities and review of Project documentation, i.e. EIA, third party audit(s) and/or environmental permitting documentation.*
- No notable reputational risk associated with legacy impacts of the WWTP or Project sites on recognized communities of IPs or IP customary lands, based on an electronic media review, outcomes of a meeting with directly affected communities and Operator representations.

PS 8: Cultural Heritage

- *No ongoing adverse impacts from the WWTP or Project on key cultural heritage features as identified in the Project EIA, third party EHS audit(s), environmental permitting documentation or similar, outcomes of a meeting with directly affected communities, and Operator representations.*
- No notable reputational risk associated with legacy impacts of the WWTP site or Project on key cultural heritage features, based on an electronic media review, outcomes of a meeting with directly affected communities and Operator representations.

Integrity Criteria

- Project Participant does not appear on either the Consolidated United Nations Security Council Sanctions List or The World Bank Listing of Ineligible Firms & Individuals as of the date of the independent inspection report.

⁹ As defined in IFC Performance Standard 7.

(iii) Projects at Existing¹⁰ Composting and Agricultural Waste Project Sites: EHS Criteria

PS 1: Assessment & Management of Environmental and Social Risks and Impacts

- Host site and Project each possess the required necessary environmental, health & safety and social (EHS) permits and are in compliance with EHS Permit condition, based on monitoring and reporting documentation and site/Project Operator representations.
- No social unrest or negative campaign by affected communities¹¹ or NGOs involving either the host site or the Project in relation to the lives or health & safety of workers and affected communities and the integrity of the local environment in the past 12 months, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

PS 2: Labor & Working Conditions

- *No child labor (i.e. involving persons under the age of 15 yrs, or 18 yrs for hazardous work) or forced labor (where work is not undertaken voluntarily, or is undertaken under threat of penalty) involved in the host or Project site-related works.*
- Effective measures in place to protect Project workers and others exposed to safety risks¹², including provision of appropriate personal protective equipment. Safety measures on the Project to include proper ventilation of confined spaces used by workers, use of flame arrestors under the gas flare and proper flare placement to prevent fires and (at large sites), gas leak monitoring during start-up.

PS 3: Resource Efficiency and Pollution Prevention

- Waste material at host site properly stored so as to minimize effluents and impact of strong odors on nearby communities.
- Air emissions from the host site and Project controlled through use of appropriate technology and monitored at least annually to ensure compliance with applicable air emissions limits.
- Host site and Project effluent evaluated and, where necessary, treated prior to disposal in line with applicable effluent quality limits.

PS 4: Community Health, Safety and Security

- Measures in place to prevent uncontrolled public/livestock access to the host site and Project sites.

PS 5: Land Acquisition & Involuntary Resettlement

- No notable reputational risk associated with legacy (historic) impacts of the host site or Projects on land acquisition or involuntary resettlement of people, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

PS 6: Biodiversity Conservation & Sustainable Management of Living Natural Resources

- *No ongoing adverse impacts from the host site or Project on recognized protected (conservation) areas, sensitive habitats or vulnerable or endangered species, based on the project EIA, third party EHS audit(s), environmental permitting documentation or similar; outcomes of a meeting with directly affected communities; and Operator representations.*
- *No palm oil related waste material is processed or otherwise utilized at the host or Project site.*
- No notable reputational risk associated with legacy impacts of the host site or Project sites on recognized protected (conservation) areas, sensitive habitats or vulnerable / endangered species, based on an electronic media review, outcomes of a meeting with directly affected communities, and Operator representations.

¹⁰ The host site must have been built and/or operational prior to the Auction Date.

¹¹ Groups of people within affected communities with sustained and active grievances (not individual claims or protests)

¹² For example: exposure to pathogens, asphyxiation risks, exposure to hazardous materials.

PS 7: Indigenous Peoples

- *No ongoing adverse impacts from the host site or Project on recognized communities of Indigenous Peoples¹³ (IPs, if any are present) or IP customary lands, based on outcomes of a meeting with directly affected communities and review of Project documentation, i.e. EIA, third party audit(s) and/or environmental permitting documentation.*
- No notable reputational risk associated with legacy impacts of the host site or Project sites on recognized communities of IPs or IP customary lands, based on an electronic media review, outcomes of a meeting with directly affected communities and Operator representations.

PS 8: Cultural Heritage

- *No ongoing adverse impacts from the host site or Project on key cultural heritage features as identified in the Project EIA, third party EHS audit(s), environmental permitting documentation or similar, outcomes of a meeting with directly affected communities, and Operator representations.*
- No notable reputational risk associated with legacy impacts of the host site or Project sites on key cultural heritage features, based on an electronic media review, outcomes of a meeting with directly affected communities and Operator representations.

Integrity Criteria

- Project Participant does not appear on either the Consolidated United Nations Security Council Sanctions List or The World Bank Listing of Ineligible Firms & Individuals as of the date of the independent inspection report.

Defined Terms

Any defined term within this Exhibit 2 to Annex A to the Final Terms dated June 27, 2016 (the “**EHS Criteria**”) shall have the same meaning as set out in such Final Terms, unless otherwise defined herein.

“**EHS Audit Report**” means the report undertaken by an accredited DOE to assess a Project or POA’s satisfaction of the EHS Criteria the form of which can be viewed on the IBRD website here:

<http://www.pilotauctionfacility.org/sites/paf/files/EHS%20and%20Integrity%20Criteria%20Second%20Auction%2020151203.pdf>

“**EHS Law**” means all applicable laws to the extent that the same are in force concerning (i) the pollution or protection of, or compensation of damage or harm to, the environment; (ii) occupational or public health and safety or process safety; (iii) environmental or health and safety compliance matters including without limitations with regard to the placing on the market of hazardous substances or produces containing such substances, (iv) emissions, discharges or releases into, or the presence in, the environment of hazardous substances and (v) the use, treatment, storage, disposal, transportation or handling of hazardous substances.

“**EHS Permit**” means any licence, approval, authorisation, permission, notification, waiver, order or exemption which is issued, granted or required under EHS law or social laws for the operation of the host site or the Project.

“**EIA**” means an Environmental Impact Assessment.

“**Gold Standard**” means the rules and requirements of the greenhouse gas programme operated by the Gold Standard Foundation which establishes rules and requirements that operationalize the Gold Standard Foundation to enable the validation of greenhouse gas projects and programs, and the verification and

¹³ As defined in IFC Performance Standard 7.

certification of greenhouse gas emission reductions and removals, as such rules and requirements may be updated from time to time.

“**Operator**” means any operator of either the host site of a Project or CPA.

“**POA**” means either a CDM Program of Activities, VCS Program of Activities or a Gold Standard Program of Activities as defined in the respective Approved Carbon Standards.

“**Project**” means any CDM Project, VCS Project or Gold Standard VER Project.

“**Project Activity**” or “**CPA**” means each of the single project activities forming a POA.

“**Related Entities**” means in relation to the relevant site or Project, an affiliate or shareholder of an Operator, lender or other finance provider in respect of the Project.

“**VCS Rules**” means the rules and requirements of the greenhouse gas programme operated by the VCSA which establishes rules and requirements that operationalize the VCSA to enable the validation of greenhouse gas projects and programs, and the verification of greenhouse gas emission reductions and removals, as such rules and requirements may be updated from time to time.

“**VCSA**” means the Verified Carbon Standard Association.

“**VCS Project Database**” means the central project database that records all projects and programs (listed and registered) and VCUs issued.

Exhibit 3 to Annex A
to the Final Terms dated June 27, 2016
Form of Final Redemption Notice

International Bank for Reconstruction and Development
U.S.\$4,996,250
PAFERNs due 2020
issued under its Global Debt Issuance Facility

To: Citibank, N.A., London Branch as Global Agent

With copies by email to: the Verification Agent and the Bank

From: *[insert nominee name]*

Date: _____

By delivering this duly completed Final Redemption Notice for the above Notes (the “Notes”) to the Global Agent (with a copy by email to the Verification Agent and the Bank) together with the definitive registered Certificates representing the Notes to which it relates, in accordance with the procedures set out herein and in the Notes, the undersigned Noteholder of such of the Notes referred to below irrevocably exercises its right to have such Notes redeemed on the Maturity Date under Condition 6(a) of the Notes. Capitalized terms used in this Final Redemption Notice and not otherwise defined herein or therein have the respective meanings ascribed thereto in the Final Terms (the “Final Terms”) dated June 27, 2016 applicable to the Notes.

Notes and corresponding Carbon Credits

This Final Redemption Notice relates to Notes in the aggregate principal amount of U.S.\$[●] corresponding to (a) [●]¹⁴ integral multiples of Carbon Credit Lots and (b) [●]¹⁵ Notes each of the Specified Denomination.

Unique Identification Number: *[Registered Holder Name/Carbon Credit serial number]*

The Carbon Credits to which this Final Redemption Notice relates are identified by Carbon Credit Lots in Schedule 1 to this Final Redemption Notice.

Each Project or POA in respect of which the Carbon Credits set out in Schedule 1 have been issued has also received an EHS Audit Report confirming satisfaction of the criteria listed under “EHS Criteria” in Exhibit 2 to Annex A to the Final Terms with the following Version No. *[insert Version No.]* on *[insert date of report issuance]* by *[insert DOE name]*. **Such EHS Audit Report(s) is/are being separately delivered to the Verification Agent at the address set out below and the Noteholder hereby acknowledges that the delivery of such EHS Audit Report is a Condition to Final Redemption.**

Payment Instructions

Subject to satisfaction of the Conditions to Final Redemption set out in the Final Terms, the Final Redemption Amount applicable to the Notes will be paid on the Maturity Date in accordance with the following payment instructions:

¹⁴ For example, 5 integral multiples or 12,500 CERs.

¹⁵ In this example, 5 integral multiples of 2,500 CERs will correspond to 5 Notes each of the Specified Denomination.

Please make payment in respect of the above-mentioned Notes to which this Final Redemption Notice relates to the account of the Noteholder recorded in the Register maintained by the Registrar.

Disclosure of Information

In order to facilitate the exercise of the Final Redemption Right and payment of the Final Redemption Amount to the undersigned Noteholder on the Maturity Date:

(a) such Noteholder by submission of its Final Redemption Notice to the Global Agent authorizes the Global Agent to disclose to the Bank, the Paying Agent and the Verification Agent and their respective legal advisers, the name of such Noteholder and to disclose the amount of the Notes it holds in respect of such exercise of the Final Redemption Right and payment of the Final Redemption Amount on the Maturity Date; and

(b) such Noteholder is required (in addition to submitting to the Global Agent this Final Redemption Notice) to send by email to the Verification Agent and the Bank by the Deadline a copy of this completed Final Redemption Notice in respect of its Notes.

Acknowledgements, representations, warranties and undertakings

By delivering, or arranging for the delivery of, a Final Redemption Notice to the Global Agent (with a copy to the Verification Agent and the Bank), the undersigned Noteholder shall be deemed to make the acknowledgements, representations, warranties and undertakings set forth below to the Bank, the Paying Agent, the Global Agent and the Verification Agent at the Deadline and on the Maturity Date. If the Noteholder is unable to give such representations, warranties and undertakings, such Noteholder should contact the Global Agent immediately.

The undersigned Noteholder hereby acknowledges, represents, warrants and undertakes at the Deadline and on the Maturity Date as follows:

(c) The individual signing this Final Redemption Notice is an authorized officer of the Noteholder, authorized to make or undertake, as applicable, the acknowledgments, representations, warranties and undertakings set out herein in connection with the delivery of this Final Redemption Notice.

(d) It consents to the Global Agent providing details concerning its identity and the amount of Notes it holds to the Bank and the Verification Agent, and their respective legal advisers.

(e) It has legal title and beneficial ownership to the Carbon Credits identified in this Final Redemption Notice and has not sold, transferred, delivered, assigned, licensed, disposed of, granted or pledged such Carbon Credits to any third party.

(f) It has full power and authority to exercise the Final Redemption Right with respect to the Notes and the corresponding Carbon Credits identified in this Final Redemption Notice, which Carbon Credits it hereby undertakes to transfer together with all rights attached to such Carbon Credits to, or to the order of, the Verification Agent with full title free from all liens, charges and encumbrances and free from any adverse claim, as at the date hereof as well as at the time of such transfer.

(g) It will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Bank, the Global Agent or the Registrar (as the case may be) to be necessary or desirable to complete the transfer and cancellation of such Notes and/or the corresponding Carbon Credits or to evidence such power and authority.

(h) It holds and will hold, until the time of redemption or expiration of the Notes on the Maturity Date, the Notes and it acknowledges that the Notes the subject of this Final Redemption Notice cannot be transferred on or after the date 60 Business Days prior to the Maturity Date.

(i) Upon receipt of the Final Redemption Amount (if any) to which it is entitled, it renounces all right, title and interest in and to all Notes referenced in this Final Redemption Notice and it waives and releases any rights or claims it may have against the Bank with respect to any such Notes.

Additional terms of the exercise of the Final Redemption Right

The undersigned Noteholder hereby agrees to indemnify the Bank, the Paying Agent, the Registrar, the Global Agent and the Verification Agent and any of their respective affiliates, directors or employees against all and any losses, costs, fees, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, this Final Redemption Notice by such Noteholder.

Further Information

Please direct all questions and requests for information regarding the procedure for exercising the Final Redemption Right and this Final Redemption Notice to International Bank for Reconstruction and Development (Email: capitalmarketops@worldbank.org, Telephone: + 1 202 458 8990) or to the Global Agent (Email: corporateaction.enquiry@citi.com).

The Bank:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
1818 H Street, NW
Washington, DC 20433

Global Agent:

CITIBANK, N.A., LONDON BRANCH
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
England

Signature

Signature:.....
Duly Authorized Officer

Name:

Title:

Email:

On:

With a copy to:

Verification Agent at its office at:

Email:

On:

and

With a copy to:

The Bank at its office at:

Email:

On:

Schedule 1: Identification of Carbon Credits for the First Check

Each separate table below may, but is not required to, identify Carbon Credit Lots relating to a different single Project or POA in respect of the same Monitoring Period in respect of CERs or Vintage Period in respect of VCUs and Gold Standard VERs, provided that within each table only a range of at least one integral multiple of Carbon Credit Lots generated by a single Project or POA in respect of the same Monitoring Period in respect of CERs or Vintage Period in respect of VCU or Gold Standard VERs may be identified.

Carbon Credit Serial Numbers (range of Carbon Credit Lots¹⁶):

For CERs:

Block start: XX-X-XXXXXXX-X-X-XXXX

Block end: XX-X-XXXXXXX-X-X-XXXX

For VCU and Gold Standard VERs:

Block start: XXXX-XXXXXXXXXX-XXXXXXXXXX-
XXX-XXX-XXX-XX-X-XX-XXXXXXXXXX-
XXXXXXXXXX-X

Block End: XXXX-XXXXXXXXXX-XXXXXXXXXX-
VCU-XXX-XXX-XX-X-XX-XXXXXXXXXX-
XXXXXXXXXX-X

Project or Programme of Activity Title: _____

UNFCCC/VCU Project Reference Number _____

Gold Standard Project ID: _____

Carbon Credit Issuance Date: _____

For CERs: Monitoring Period: [*Specify start and end date*]: _____

For VCU and Gold Standard VERs: _____

Vintage Period: [*Specify start and end date*]: _____

Carbon Credit Serial Number (range of Carbon Credit Lots¹⁷):

For CERs:

Block start: XX-X-XXXXXXX-X-X-XXXX

Block end: XX-X-XXXXXXX-X-X-XXXX

For VCU and Gold Standard VERs:

Block start: XXXX-XXXXXXXXXX-XXXXXXXXXX-
XXX-XXX-XXX-XX-X-XX-XXXXXXXXXX-
XXXXXXXXXX-X

¹⁶ Each Carbon Credit has a unique serial number composed of several identifiers, including the Party-of-origin identifier and the project identifier.

¹⁷ Each Carbon Credit has a unique serial number composed of several identifiers, including the Party-of-origin identifier and the project identifier.

Block End: XXXX-XXXXXXXX-XXXXXXXX-
VCU-XXX-XXX-XX-X-XX-XXXXXXXX-
XXXXXXXX-X

UNFCCC/VCU Project Reference Number: _____
Gold Standard Project ID: _____
Carbon Credit Issuance Date: _____
For CERs: Monitoring Period: [*Specify start and end date*]: _____
For VCU and Gold Standard VEs: Vintage Period: [*Specify start and end date*]: _____

Carbon Credit Serial Number (range of Carbon Credit Lots¹⁸):

For CERs:
Block start: XX-X-XXXXXX-X-X-XXXX
Block end: XX-X-XXXXXX-X-X-XXXX

For VCU and Gold Standard VEs:
Block start: XXXX-XXXXXXXX-XXXXXXXX-
XXX-XXX-XXX-XX-X-XX-XXXXXXXX-
XXXXXXXX-X
Block End: XXXX-XXXXXXXX-XXXXXXXX-
XXX-XXX-XXX-XX-X-XX-XXXXXXXX-
XXXXXXXX-X

UNFCCC/VCU Project Reference Number: _____
Gold Standard Project ID: _____
Carbon Credit Issuance Date: _____
For CERs: Monitoring Period: [*Specify start and end date*]: _____
For VCU and Gold Standard VEs: Vintage Period: [*Specify start and end date*]: _____

[Repeat table above as necessary for each Carbon Credit Lot being identified in this Final Redemption Notice.]

¹⁸ Each Carbon Credit has a unique serial number composed of several identifiers, including the Party-of-origin identifier and the project identifier.

Exhibit 4 to Annex A
to the Final Terms dated June 27, 2016
Procedures for Delivery of Qualifying Carbon Credits

Noteholders who need assistance with respect to the procedures for delivering their Carbon Credits as set out in this section should contact the Verification Agent, the contact details for which are on the last page of these Final Terms.

Delivery and Verification of Qualifying Carbon Credits

1. The Verification Agent shall notify a Noteholder by email no later than 30 Business Days prior to the Maturity Date of whether the Carbon Credits identified in the Final Redemption Notice have passed the First Check and are determined to be Qualifying Carbon Credits.
2. As soon as possible after receipt of notice from the Verification Agent that the Carbon Credits identified in the Final Redemption Notice have passed the First Check, and in any event no later than 15 Business Days prior to the Maturity Date, the Noteholder shall deliver those Carbon Credits from an Eligible Account to the Verification Agent's Carbon Credit Account by electronic transfer in accordance with the customary practices for delivery of Carbon Credits.
3. The Noteholder shall convey and properly transfer to the Verification Agent with full title guarantee, all legal and beneficial right, interest and title in each Carbon Credit delivered to the Verification Agent, free and clear of all liens, security interests, claims and encumbrances or any interest in or to them by any person.
4. If any Carbon Credit delivered to the Verification Agent's Carbon Credit Account by the Noteholder is not a Carbon Credit described in the Final Redemption Notice, the Verification Agent shall use reasonable endeavours to return each Carbon Credit Lot containing such Carbon Credit to the Noteholder's account from which they were originally delivered, the Final Redemption Amount shall not become payable and the affected Notes shall expire worthless.
5. In the event that the Verification Agent does not receive the Carbon Credit Lots containing 100% Qualifying Carbon Credits at least 15 Business Days prior to the Maturity Date, for any reason, including Force Majeure, the Final Redemption Amount shall not become payable and the affected Notes shall expire worthless and the definitive registered Certificate(s) submitted with the Final Redemption Notice shall be destroyed.

For these purposes:

"Force Majeure" means any unexpected and unpreventable act beyond the control of the Noteholder or Bank which makes delivery to the Verification Agent impossible, including, but not limited to, an act of God, peril of the sea, war, riot, insurrection, civil commotion, martial law, flood, earthquake, epidemic, quarantine and a Registry Failure.

"Registry Failure" means a failure of the central CDM or VCS or Gold Standard registry systems or processes established under generally accepted international rules.

"Verification Agent's Carbon Credit Account" means:

In respect of CERs: Account Number: CH-100-2115-0; Account Name: KPC

In respect of VCUs: Markit Registry Account Number: 103000000011580; Account Name: Kommunalkredit Public Consulting GmbH - PAF

In respect of Gold Standard VERs: Markit Registry Account Number: 103000000011581; Account Name: Kommunalkredit Public Consulting GmbH - PAF (GSF)

Exhibit 5 to Annex A
to the Final Terms dated June 27, 2016

Procedures for Transfers of Registered Notes

The following is a summary of Condition 2 of the Notes and of the applicable provisions of the Global Agency Agreement relating to transfers of Registered Notes.

1. *Transfer of Registered Notes:* Subject as provided below, a Registered Note may be transferred in whole or in part in a Specified Denomination upon the surrender of the definitive registered Certificate representing such Registered Note to be transferred, together with the form of transfer endorsed on such definitive registered Certificate or accompanied by a written instrument of transfer in form satisfactory to the Bank and the Registrar or its duly appointed sub-agent or any Transfer Agent, as the case may be, duly completed and executed by the holder thereof or such holder's attorney-in-fact duly authorized in writing, at the specified office of the Registrar or its duly appointed agent or at the office of any other Transfer Agent that may be appointed by the Bank. Upon satisfaction of "know-your-counterparty" and compliance checks and procedures of the Registrar, the relevant Transfer Agent or the Global Agent, as the case may be, in exchange for any Registered Notes represented by definitive Certificates properly presented for transfer, the Registrar shall effect the necessary changes to entries in the Register and the Registrar shall promptly authenticate and deliver or cause to be authenticated and delivered at the office of the Registrar or its duly appointed agent or at the office of any Transfer Agent, as the case may be, to the transferee or send to the transferee a new definitive Certificate registered in the name of such transferee, in any denomination, representing the same aggregate nominal amount as shall have been transferred.

In the case of a transfer of only part of such a Registered Note represented by one definitive registered Certificate, a new definitive registered Certificate shall be issued to the transferee in respect of the part transferred and a further new definitive registered Certificate shall be issued to the transferor in respect of the balance not transferred.

2. *Delivery of New Definitive Registered Certificates:* New definitive registered Certificate(s) issued upon any transfer shall be mailed by uninsured post at the risk of the holder entitled to the new definitive registered Certificate to such address as may be so specified in the request for transfer, or (if no address is so specified) as appears in the Register, or otherwise in accordance with the customary procedures of the relevant Transfer Agent, the Registrar or the Global Agent, as the case may be, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify.
3. *Closed Periods:* No transfer of a Registered Note will be effected on or after 60 Business Days prior to the Maturity Date.
4. *Provisions Concerning Transfers:* All transfers of Registered Notes and entries in the Register will be made in accordance with the relevant procedures of the Registrar. A copy of the relevant procedures will be made available by the Registrar to any holder of a Registered Note upon request.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

1818 H Street, NW
Washington, DC 20433

**GLOBAL AGENT, PAYING AGENT, TRANSFER AGENT
AND CALCULATION AGENT**

Citibank, N.A., London Branch

Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
England

REGISTRAR AND TRANSFER AGENT

Citigroup Global Markets Deutschland AG

Reuterweg 16
60323 Frankfurt am Main
Germany

VERIFICATION AGENT

Kommunalkredit Public Consulting GmbH

Türkenstrasse 9
1092 Vienna
Austria

LEGAL ADVISERS TO THE BANK

As to English law

Linklaters LLP

1345 Avenue of the Americas
New York, NY 10105