

**CONTRIBUTION AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND
THE CARIBBEAN DEVELOPMENT BANK COVERING THE USE OF CANADIAN
SPECIAL FUNDS RESOURCES**

WHEREAS the Caribbean Development Bank (hereinafter called the Bank) is empowered by its Articles of Agreement to accept the administration of special funds which are designed to serve the purpose and come within the functions of the Bank, the Bank has determined that it is prepared to administer such special funds resources to be called the "Special Development Fund of the Caribbean Development Bank" (hereinafter called the Special Development Fund); and

WHEREAS the Government of Canada (hereinafter called the Contributor) has indicated its desire to assist the Bank in furthering its purpose by contributing certain resources, in the amount and on the terms hereinafter set forth, to be used in the special operations of the Bank for the provision of financing for purposes which, in the opinion of the Bank, are of high developmental priority in the light of the needs of the area or areas concerned and on terms which are more flexible and bear less heavily on recipients' balance of payments than those established by the Bank for its ordinary operations; and

WHEREAS the offer of the Contributor to provide additional resources has been accepted by the Bank.

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Application of Regulations and Definitions

SECTION 1.01 Except as otherwise provided herein, the rules and regulations for the administration of the Special Development Fund (hereinafter called the Regulations) shall apply to the Contributed Resources and Accrued Resources derived from the Contribution (hereinafter called the Contribution) made pursuant to this Agreement with the same force and effect as if such Regulations were fully set out herein.

SECTION 1.02. "Contributed resources" are resources made available by the Contributor pursuant to Section 2.01 of this Agreement, repayments thereof and income derived by the Bank from such contributions or repayments. They do not include income derived from the service fee and income allocated to accrued resources.

SECTION 1.03. "Accrued resources" refers to Special Fund Resources derived from the service fee charged by the Bank in its Special Fund operations and to other income of the Bank allocated from the contributed resources.