

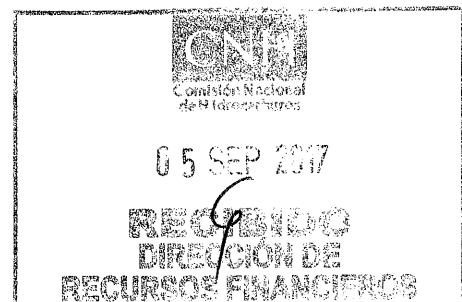
Administration Agreement between the Comisión Nacional de Hidrocarburos and the International Bank for Reconstruction and Development and the International Development Association concerning the Global Gas Flaring Reduction Partnership Multi-Donor Trust Fund (TF072527)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the "Bank") acknowledge that the Comisión Nacional de Hidrocarburos (the "Donor", and together with the Bank, the "Parties" and each a "Party") agrees to provide the sum of six hundred thousand United States Dollars (US\$600,000) (the "Contribution") for the Global Gas Flaring Reduction Partnership ("GGFR") Multi-Donor Trust Fund, TF072527 (the "Trust Fund") in accordance with the terms of this Administration Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Agreement.
2. The Contribution shall be used to finance the activities set forth in the "GGFR Trust Fund Description and Governance" attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the "Standard Provisions" attached hereto as Annex 2.
3. The Donor shall deposit the Contribution promptly following countersignature in the full amount and currency ("Contribution Currency") specified in Section 1 above into such bank account designated by the Bank upon submission of a payment request by the Bank.
4. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF072527 (the GGFR Multi-Donor Trust Fund), and the date of the deposit (the "Deposit Instructions"). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank's Accounting Trust Funds Division by e-mail sent to tfremittadvice@worldbank.org or by fax sent to +1 (202) 614-1315.
5. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party's address specified below or at such other address as such Party notifies in writing to the other Party from time to time:

For the Bank (the "Bank Contact"):

Mr. Bjorn Hamso
Program Manager
Energy and Extractives Global Practice
The World Bank
1818 H Street NW
Washington, D.C. 20433

Tel: +1 202-458-1065
Fax: +1 202-522-0395
E-mail: bhamso@worldbank.org



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[Handwritten Signature]

For the Donor (the "Donor Contact"):

Mtro. León Daniel Mena Velázquez
Titular de la Unidad de Extracción
Comisión Nacional de Hidrocarburos
Av. Patriotismo No. 580, Colonia Nonoalco,
Delegación Benito Juárez, C.P. 03700
Ciudad de México

Tel: (55) 4774-65-00 Ext. 8557
E-mail: daniel.mena@cnh.gob.mx

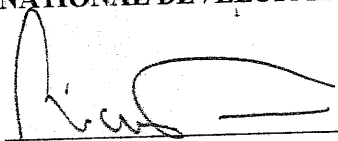
6. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank. When making any deposit, the Bank shall include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Bank in relation to TF072527 (the GGFR Multi-Donor Trust Fund), and the date of the deposit.

7. All annexes hereto constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Agreement may be amended only by written amendment of all donors contributing to the Trust Fund.

8. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By:



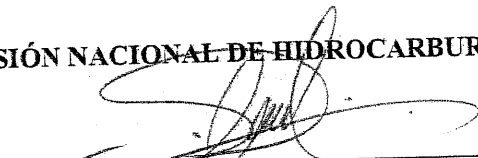
Riccardo Puliti
Senior Director
Energy and Extractives Global Practice

Date:

26 July 2017

COMISIÓN NACIONAL DE HIDROCARBUROS

By:



León Daniel Mena Velázquez
Titular de la Unidad de Extracción

Date:

09/Ago/2017

GGFR Multi-Donor Trust Fund Description and Governance

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the "Administration Agreements" and each an "Administration Agreement") between the Bank and any entities that provide any funds to the Trust Fund (collectively, the "Donors").

1. Objective

The objective of the Trust Fund is to facilitate reduction of gas flaring and venting.

2. Activities and Governance

The Contribution shall be used by the Bank for the activities and in the manner set forth in this Agreement and in the charter for the GGFR adopted on September 28, 2009, as amended on April 26, 2010 and November 17, 2015, and as such charter may be further amended from time to time in accordance with its provisions (the "GGFR Charter"). The current charter for the GGFR is provided as Attachment 1 to this Annex 1 for informational purposes only. Any amendments to the GGFR Charter, made in accordance with its terms, shall become applicable to this Administration Agreement as such amendments take effect without further need to amend this Administration Agreement; provided that such amendments do not conflict with Bank policies and procedures and provided further that in the event of any conflict with other parts of this Administration Agreement, the terms of this Administration Agreement shall prevail.

Activities financed by the GGFR Trust Fund shall be Bank-executed, for which the Bank has implementation responsibility, and shall focus on certain areas identified in the GGFR Charter. The specific activities to be carried out each year under such areas are included in the annual work plans approved by the Steering Committee (as defined in the GGFR Charter). In addition, the Contribution shall be used by the Bank to finance program management and administration activities for the Trust Fund, including but not limited to, supporting the program governance arrangements and Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.

3. Eligible Expenditures

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

- (a) contractual services;
- (b) media, workshops, conferences and meetings;
- (c) travel expenses;
- (d) short-term consultants and temporaries;
- (e) extended term consultants and temporaries; and
- (f) staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries).



For purposes of this section: (i) "staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)" includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; (ii) "extended term consultants and temporaries" includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) "short term consultants and temporaries" includes fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures.

4. Taxes

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank's applicable policies and procedures.



(provided for informational purposes only)

Global Gas Flaring Reduction Public-Private Partnership Charter

**Adopted on September 28, 2009, and amended on April 26, 2010,
and November 17, 2015**

A. Background

The World Bank estimates that about 140 billion cubic meters of natural gas associated with crude oil production is being flared annually. The flaring and venting of natural gas associated with crude oil production and other greenhouse gases associated with upstream petroleum operations (“Gas Flaring”) wastes energy resources and adds the equivalent of about 350 million tons of CO₂ in annual emissions.

Launched at the World Summit on Sustainable Development in August 2002, the Global Gas Flaring Reduction partnership (“GGFR”) is committed to reducing Gas Flaring globally as a means to address climate change concerns. GGFR participants desire to overcome the barriers to flare reduction by sharing global best practices and implementing country-specific programs.

GGFR facilitates efforts to reduce Gas Flaring globally by promoting effective regulatory frameworks and investments in infrastructure to support gas utilization in local and international energy markets. Poverty reduction is an integral part of the GGFR program through the supply of clean fuels and the creation of new employment.

B. Vision

GGFR seeks a world free of routine gas flaring and venting.

C. Mission Statement

GGFR is a catalyst for reducing wasteful and undesirable practices of gas flaring and venting through policy change, stakeholder facilitation and project implementation.

D. Activities

GGFR focuses on activities that:

- Increase global commitment to reduce gas flaring
- Raise awareness of gas flaring as a resource management and climate change issue
- Enable governments and other stakeholders to develop institutions, regulations, infrastructure, and markets for associated gas utilization
- Disseminate flaring reduction best practices
- Facilitate gas flaring reduction projects, including those involving the productive utilization of gas
- Monitor global gas flaring
- Advance flaring measurement

The specific activities to be carried out each year are included in the annual work plans approved by the Steering Committee.

E. Participation

GGFR participants may be Partners or Associated Partners as follows:

Partners ("Partners") may be (i) governments, (ii) multilateral organizations, (iii) oil companies, or (iv) organizations directly involved in promoting and executing Gas Flaring reduction actions.

Associated Partners ("Associated Partners") are participants that do not fit in one of the above four categories but seek to support the GGFR Vision and Mission.

New requests to become a Partner or Associated Partner may be made to the GGFR Program Manager (as defined below) who will screen the candidate's request. Admission of new Partners or Associated Partners will be subject to participation requirements under this Charter and final approval by the Steering Committee.

F. Participant Commitments

To the extent applicable, each Partner and each Associated Partner will endeavor to work within the scope of its respective rules, regulations and resources to:

1. Provide annual Gas Flaring data in accordance with the standards and practices recommended in the GGFR Report No. 4, "Voluntary Standard for Global Gas Flaring and Venting Reduction", dated May 2004, as may be amended from time to time (the "Voluntary Standard").
2. Provide expert staff and resources to support Networks and Task Forces (as defined below) as needed.
3. Develop policies and regulations to reduce Gas Flaring.
4. Utilize best practices to reduce Gas Flaring.
5. Support the development of commercial alternatives to Gas Flaring.
6. Develop, share and implement best measurement, operating, reporting and monitoring practices for associated gases under their control or management.
7. Collectively support and seek to individually adopt and implement the Voluntary Standard, including but not limited to the preparation of country implementation plans and company associated gas recovery plans.

G. Funding

Funding for the GGFR work plan and administration will be provided through one or more trust funds administered by the World Bank (the "Trust Fund"). A Partner or an Associated Partner must commit to contribute a minimum of US\$ 600,000 for the funding period January 1, 2016 – June 30, 2019 to



the Trust Fund.¹ Any funding commitment is made through an administration agreement (the "Administration Agreement") entered into with the World Bank.

A partial or full waiver of the funding requirement may be requested by (i) a government from a country eligible for World Bank loans, (ii) a national (government-owned) oil company, (iii) a multilateral organization, (iv) an Associated Partner, (v) a Partner or an Associated Partner who becomes a participant in GGFR partially through a funding period, or (vi) a Partner or an Associated Partner offering to provide part of its funding commitment through an in-kind or parallel contribution. Requests for partial or full waivers of the funding requirement will be provided to the GGFR Program Manager and are subject to approval by the Steering Committee.

H. Organization and Governance

GGFR is organized and governed as follows:

1. Steering Committee

GGFR is governed by a Steering Committee chaired by the World Bank. The Steering Committee meets no less than once a year in-person and may meet additionally as agreed among its members. Steering Committee meeting locations and dates are proposed by the GGFR Program Manager and agreed by the Steering Committee.

Each Partner has the right to be represented by two (2) individuals, whose names will be current with the Core Team at all times ("Partner Members") at Steering Committee meetings.

The Steering Committee has the following areas of responsibility:

- approval of the annual work plan and indicative budget
- approval of any modifications to the Voluntary Standard
- admission of Partners and Associated Partners, including any waiver of the funding requirement, and other membership matters
- consideration of findings of Networks and Task Forces
- strategic guidance for GGFR activities
- conflict of interest guidance and confidentiality guidance
- adoption or amendment of this Charter
- extension of GGFR beyond the initial term of the Trust Fund
- approval of the chair of any Network
- approval and periodic review of key performance indicators prepared by the Core Team for GGFR performance evaluations
- establishment of procedures to manage issues, such as anti-trust, related to private-sector participation in GGFR.

The Partner Members of the Steering Committee make decisions on a unanimous basis. Decisions may only be taken when at least a simple majority of the Partners are represented by at least one individual at an in-person meeting (which may include audio or video participation). Decisions may also be made on an electronic basis between meetings through a no-objection process

¹ In the event GGFR continues beyond the current funding period, potential extensions of the Trust Fund may be decided by the parties to it and additional funding requirements may be decided by the Steering Committee.

involving all Partner Members on the current Core Team list for a reasonable period, considering the decision to be made, conducted by the GGFR Program Manager. In the event that unanimity cannot be achieved, the chairman of the Steering Committee will put forward a process for addressing the issue.

Associated Partners, non-GGFR participants, and additional representatives of Partners may attend Steering Committee meetings as observers by invitation of the GGFR Program Manager.

2. GGFR Core Team

The Core Team is comprised of a Program Manager (the "GGFR Program Manager"), and professional and administrative support staff employed under the World Bank rules by the World Bank. In addition, Partner and Associated Partner organizations can second staff to the Core Team to work under World Bank staff rules.

Any matters for decision by the Steering Committee, including proposed activities, plans and budgets, modifications to existing documents, and amendments to this Charter, are directed through the Core Team for review and confirmation prior to consideration by the Steering Committee.

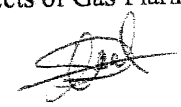
The Core Team is responsible for:

- the organization and administration of GGFR's activities
- preparation of the annual work plan and indicative budget for Steering Committee review and approval
- making adjustments to indicative budget allocations as necessary within the total annual budget amount approved by the Steering Committee
- coordination of the development and implementation of country-specific programs in coordination with Partner countries, consistent with the annual work plan
- coordination of the production of global deliverables, consistent with the annual work plan
- creation and dissolution of Networks and Task Forces
- coordination of GGFR-sponsored workshops and forums
- coordination with other parts of the World Bank Group, Partners, Associated Partners and other relevant organizations
- preparation of Steering Committee meetings, material and minutes
- compilation of annual Gas Flaring data provided by Partners and from appropriate satellite data
- development of a comprehensive dissemination and communication plan
- preparation of key performance indicators for GGFR performance evaluations.

3. Networks and Task Forces

The following networks ("Networks") support the activities of GGFR and the commitments of the Partners and Associated Partners:

- Technical Network
The Technical Network will focus primarily on the technical aspects of Gas Flaring reduction and associated gas utilization.



- **Regulatory Network**
The Regulatory Network will focus on identifying and disseminating good practices regarding regulation and legal frameworks that reduce gas flaring (and venting) at oil and gas production sites and related processing plants.
- **Communication Network**
The Communication Network will work to share Gas Flaring reduction successes among Partners and Associated Partners, publicize relevant information and promote Gas Flaring reduction events sponsored by the GGFR.

Each Network is comprised of representatives of any interested Partner and/or Associated Partner, each of whom may appoint up to two (2) members, whose names will be current with the Core Team at all times, to participate in the corresponding Network. Each Network is led by a Chair who is agreed by the Steering Committee and is normally a member of the Core Team.

The members of the Network may also agree on a co-Chair. Decisions are made by the same means as decisions by the Steering Committee. Within the scope of the specific area for which it was established, each Network develops its own objectives, work plan and deliverables for submission to the Core Team as part of the proposed annual work plan to be approved by the Steering Committee.

The GGFR Program Manager may notify the Steering Committee that a short-term, ad-hoc task force ("Task Force") is being created to respond to a need for specific information or guidance to support the activities of GGFR. These teams are led by members of the Core Team. Membership and decision making for Task Forces will otherwise be the same as for Networks.

Each Network and Task Force will meet in-person or through electronic means as often as necessary, but normally not less than once every ninety (90) days.

I. Deliverables and Monitoring

Key performance indicators for GGFR performance evaluations will be prepared by the Core Team and approved and periodically reviewed by the Steering Committee.

J. Miscellaneous

Nothing in this Charter is intended to be a waiver of, or impair or limit, any privileges or immunities of any Partner or Associated Partner under its respective Articles of Agreement or equivalent documents, or any applicable law, all of which are expressly reserved.

This Charter may be adopted or amended by the Steering Committee by unanimity of Partner Members present at an in-person meeting. The Core Team maintains and distributes clear records of any such amendments. Any amendments to this Charter will become applicable to the Administration Agreements as such amendments take effect through Steering Committee decisions without further need to amend the Administration Agreements, provided that such amendments do not conflict with other terms of the Administration Agreements or World Bank policies and procedures.



Standard Provisions

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. Administration of the Contributions

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor's Contribution (collectively, the "Contributions") shall be administered in accordance with the Bank's applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. Management of the Contributions

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is United States Dollars (the "Holding Currency").

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank's applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

3. Accounting and Financial Reporting

3.1 The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank's Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the World Bank's Trust Funds Donor Center secure website.

3.3 The Bank shall provide to the Donors via the World Bank's Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank's external auditor's opinion thereon. The cost of the single audit shall be borne by the Bank.

3.4 If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

4. Progress Reporting

4.1 The Bank shall provide the Donors with annual progress reports by September 30 of each year. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donors, as such results framework may be reviewed by the Parties from time to time. Within (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final report for the Trust Fund.

4.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank's applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

5. Disbursement; Cancellation; Refund

5.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2019 (the "End Disbursement Date"). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds

deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2 Any Donor may cancel all or part of such Donor's pro rata share, and the Bank may cancel all or any Donors' pro rata shares, upon three (3) months' prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in the Administration Agreement; unless otherwise agreed between the Bank and the Donor.

6. Disclosure; Dispute Resolution

6.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank's Policy on Access to Information. By entering into Administration Agreements, the Donors consent to such disclosure of their respective Administration Agreements and such related information.

6.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

A handwritten signature in black ink, appearing to be "D. D.", is written over a horizontal line.