August 21, 2014

Karen Fjeld
Grants Officer
A/LM/AQM/International Programs
U.S. Department of State
2401 E Street, NW
Washington, DC 20037

Trust Fund Administration Arrangement between the United States of America acting through the Department of State and the International Bank for Reconstruction and Development as trustee of BioCarbon Fund concerning the BioCF Technical Assistance Trust Fund (TF No.052033)

Dear Ms. Fjeld,

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD" or the "Bank") as trustee of the BioCarbon Fund ("BioCF") that the United States of America, acting through the Department of State (the "Donor"), under the authority contained in the Foreign Assistance Act of 1961, as amended, has decided to make available as a grant the sum of twenty five million United States Dollars (US$25,000,000) (the "Contribution") for the BioCF Technical Assistance Trust Fund, TF No. 052033 (the "Trust Fund") in accordance with the terms of this Administration Arrangement (the "Arrangement"). Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Arrangement.

2. The Contribution will be used to finance the activities and the categories of expenditure set forth in the "Description of Activities and Expenditures under the BioCF Technical Assistance Trust Fund" attached hereto as Annex 1, and will be administered by the Bank on behalf of the Donor in accordance with the provisions of this Arrangement including the "Standard Provisions Applicable to the BioCF Technical Assistance Trust Fund" (the "Standard Provisions") attached hereto as Annex 2.

3. The Donor has determined that the purpose of this Arrangement is met upon disbursement of funds to the Bank for use in support of the activities and expenditures of the BioCF Trust Fund. For the purpose of this Arrangement, all references to the term "Contribution" are deemed to refer to State Grant Number S-LMAQM-14-GR-1112.

4. The Donor will deposit the Contribution into such bank account designated by the Bank (each amount deposited hereinafter referred to as an "Installment") upon submission of: a payment request:

   (A) Promptly following countersignature of this Arrangement by the Contributor, eight million three hundred thousand United States Dollars (US$ 8,300,000);
(B) On or before March 31, 2014, eight million three hundred thousand United States Dollars (US$ 8,300,000); and
(C) On or before September 30, 2015, eight million four hundred thousand United States Dollars (US$ 8,400,000).

5. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund, such that if the speed of the implementation of the activities to be financed by the Trust Fund makes it necessary either to bring Installments forward or to delay them, the Installment schedule will be amended as accepted by the Bank and the Donor.

6. When making such deposit, the Donor will instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating the amount paid, that the payment is made by the Donor for TF No. 052033 (the BioCF Technical Assistance Trust Fund), and the date of the deposit (the “Deposit Instruction”). In addition, the Donor will provide a copy of the Donor’s Deposit Instruction to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

7. Except as provided for in paragraph 6 above, any notice, request or other communication to be given or made under this Arrangement will be in writing and delivered by mail, facsimile 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:

Dan Radack  
Fund Manager, BioCarbon Fund  
Landscapes and Forest Climate Finance Unit  
Climate Change Group  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Tel: (202) 473-8003  
Fax: (202) 614-0840  
E-mail: Dradack@worldbank.org

For the Donor:

Karen Fjeld  
Grants Officer  
A/LM/AQM/International Programs  
Department of State  
United States of America  
Telephone: (202) 632-2049  
Facsimile: (202) 632-2055  
E-mail: FjeldKK@state.gov
8. In the event any amounts are to be returned to the Donor under this Administration Arrangement, the Bank will transfer such amounts to the bank account indicated by the Donor. When making such transfer, the Bank will instruct its bank to include in the information field of its SWIFT payment message, information indicating: the amount transferred, that the payment is made by the Bank for the BioCF Technical Assistance TF No. 052033 and the date of the deposit.

9. All annexes hereto constitute an integral part of this Arrangement. This Arrangement may be amended only in writing between the Bank and the Donor; provided, however, that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.

10. This Administration Arrangement, including any annexes, is not an international agreement and is not eligible for registration as a treaty under Article 102 of the United Nations Charter. It is an administrative arrangement between the Bank and the Contributor.

11. Each of the undersigned represents, by confirming its acceptance below, that it is authorized to enter into this Administration Arrangement and act in accordance with its provisions. The Bank and Donor are each requested to sign and date this Administration Arrangement, and upon possession by the Bank of this fully signed Administration Arrangement, this Administration Arrangement will become carried out as of the date of the last signature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AS TRUSTEE TO THE BIOCARBON FUND

[Signature]
Neeral Prasad
Manager
Knowledge and Partnerships
Climate Change Group

CONFIRMED AND AGREED:

U.S. Department of State

[Signature]
Name: [Name]
Title: [Title]
Date: [Date]
ANNEX 1

Description of Activities and Expenditures under the BioCF Technical Assistance
Trust Fund

This Annex will be applicable to and form an integral part of all Arrangements entered into between the Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

The Trust Fund is established for the purposes of funding capacity building activities designed to support the BioCarbon Fund (“BioCF”).

The Fund Manager will consult with the donors on the type of technical assistance activities to be undertaken, the countries where these activities could be undertaken, and the technology focus. An annual work program will be prepared by the management, taking into account the outcome of these consultations, and to be approved by the donors meeting to be held at least once a year.

(i) Bank-Executed Trust Fund Activities:

(a) Support of Project Development;
(b) Capacity Building of Local Intermediaries;
(c) Development of Monitoring Methodologies; and
(d) Trust Fund Administration; and
(e) Technical Assistance to the National and Sub-national Structures managing climate change funds.

(ii) Recipient-Executed Trust Fund Activities:

(a) Conducting readiness activities and capacity building related to carbon emission reduction activities;
(b) Preparation and initial assessment of pilot activities for BioCF projects and programs; and
(c) Development of monitoring, reporting and verification systems and reference emissions levels.

B. CATEGORIES OF EXPENDITURE

(i) For Bank-Executed activities the Contributions may be used to finance (a) Travel Expenses; (b) Staff Costs; (c) Consultant Fees; (d) Associated Overheads; (e) Contractual Services; and (f) Media & Workshop Costs.

(ii) For Recipient-Executed activities, the Trust Fund funds may be used to finance: (a) Consulting; (b) Goods; (c) Operating Costs; and (d) Training.
C. 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.
Standard Provisions Applicable to the BioCF Technical Assistance Trust Fund

This Annex will be applicable to and form an integral part of all Arrangements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

1. Administration of the Contributions

1.1. The Bank will be responsible only for performing those functions specifically set forth in this Arrangement and will 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 Arrangement will be considered a waiver of any privileges or immunities of the IBRD under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. The Contribution will 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 of Charter of the United Nations. The Donor acknowledges 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 the Donor, nor will it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contributions will be accounted for as a single trust fund and will be kept separate and apart from the funds of the Bank. The Contributions may be commingled with other trust fund assets maintained by the Bank.

2.2. The Contributions may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

2.3. The Bank will invest and reinvest the Contributions pending their disbursement in accordance with the Bank's policies and procedures for the investment of trust funds administered by the Bank. The Bank will credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.
3. **Administrative Cost Recovery**

3.1. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, the Bank may deduct and retain for its own account an amount equal to two percent (2%) of each Contribution from the Contributions. In addition, costs for program management and supervision as defined in Annex 1 will be charged to the Trust Fund on an actual basis. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration arrangement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

4. **Accounting and Financial Reporting**

4.1. The Bank will maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund account and disbursements made therefrom.

4.2. The Bank will furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the holding currency of the Trust Fund 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 of the Trust Fund with respect to the Contributions will be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

4.3. The Bank will provide to the Donors, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (1) 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 (2) 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 will be borne by the Bank.

4.4. 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 will first consult as to whether such an external audit is necessary. The Bank and the Donor will agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank will arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, will be paid by the requesting Donor.

4.5. The Bank will provide the Donors with copies of all financial statements and auditors' reports received by the Bank from Recipients pursuant to the Grant Agreements (as defined below).
5. **Progress Reporting**

5.1. The Bank will provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 6.1, the Bank will furnish to the Donors a final report on the activities financed by the Trust Fund.

5.2. Any Donor may review or evaluate activities financed by the Trust Fund. The Donor and the Bank will agree on the scope and conduct of such review or evaluation, and the Bank will provide all relevant information within the limits of its policies and procedures. All associated costs will 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.

6. **Disbursement; Cancellation; Refund**

6.1. It is expected that the Contributions will be fully disbursed by the Bank by December 31, 2020. The Bank will only disburse Contributions for the purposes of this Arrangement after such date with the written approval of the Donors.

6.2. Any Donor or the Bank may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share, of any remaining balance of the Contributions that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Arrangement prior to the receipt of such notice, including the Grant Agreements (as defined below).

6.3. Following the final disbursement date specified in paragraph 6.1, the Bank will return any remaining balance of the Contributions to the Donors or to the relevant Donor Balance Account on a pro rata basis based on the Donors’ paid Contributions. In the event of a cancellation the Bank will promptly return to the relevant Donor or Donors or to the relevant Donor Balance Account the Donor’s pro rata share of uncommitted Contributions in accordance with paragraph 6.2.

7. **Disclosure**

The Bank will disclose this Arrangement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Arrangement, Donors consent to disclosure of this Arrangement and related information on this Trust Fund.
8. **Grants to Recipients**

8.1 The Bank will, as administrator of the Trust Fund on behalf of the Donors, enter into grant agreements (the "Grant Agreements") with eligible recipients (the "Recipients") consistent with the purposes of this Administration Arrangement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Arrangements between the Bank and the Donors. Upon request by a Donor, the Bank will furnish a copy of the Grant Agreements to the Donors.

8.2 The Bank will be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of the relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

8.3 The Bank will promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank will afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.
Federal Assistance Award Coversheet

1. Assistance Type
   Grant

2. Award Number
   S-LMAQM-14-GR-1112

3. Amendment Number

4. Amendment Type

5. Recipient Name, Address and Contact Information
   International Bank for Reconstruction and Development
   1818 H St NW
   Washington, DC 20433-0001
   UNITED STATES
   Ph. 202-458-4416
   Contact: Mr. Simon Whitehouse

6. Project Period
   From: 09/03/2014 Through: 06/30/2016

7. Funding Period
   From: 09/03/2014 Through: 06/30/2016

8. Program CFDA Number
   19.017

9. Recipient Federal Tax I.D./DUNS Number
   DUNS: 062024112
   EIN: 980002549

10. Type of Recipient
    Public International Organization (PIO)

11. Award Title
    Initiative for Sustainable Forest Landscapes

12. Purpose
    To support the BioCarbon Fund Technical Assistance Trust Fund, in accordance with the terms of the Administration Arrangement attached herein. Section 16 is clarified to read "The recipient agrees to execute the work in accordance with the Notice of Award which consists of the Administration Arrangement effective as of September 3, 2014 between the US DOS and the World Bank."

13. Issued By
    Office of Acquisition Management
    1701 N. Ft. Meyer Drive Berkley Building
    Arlington, VA 22209
    UNITED STATES

14. Funds Certified By
    Ms. Rosa Rojas-Cinnamon
    09/04/2014

15. Statutory Authority - Authorization
    FAA (Foreign Assistance Act)

16. Agreement:
    The recipient agrees to execute the work in accordance with the Notice of Award, the approved application incorporated herein by reference or as attached, and the applicable rules checked below and any subsequent revisions. Award is not subject to OMB Circulars

17. Statutory Authority - Appropriation
    Economic Support Funds

18. Funding Distribution

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<th>Amended Total Costs</th>
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</tr>
<tr>
<td>Total Costs</td>
<td>$0.00</td>
<td>$25,000,000.00</td>
</tr>
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19. Recipient Name, Title and Signature
    Name: Neeraj Prasad
    Signature: [Signature]
    Title: Manager
    Date: 9/15/2014

20. Grants Officer Name, Title and Signature
    Name: Karen Feld
    Signature: [Signature]
    Title: Grants Officer
    Date: 9/15/2014

21. Accounting and Appropriation Data
    Amount: $25,000,000.00
    See Trust Fund Administration Arrangement for payment information

22. Send Requests for Reimbursement to:
    [See Trust Fund Administration Arrangement for payment information]

23. By signing this agreement, the recipient assures that it will comply with the terms and conditions of this award. Recipient is required to sign and return this document within 10 business days of the signature of the Grants Officer to the Grants Office listed in Section 13.

Terms and Conditions attached: [ ] Yes [ ] No
AWARD ATTACHMENTS

International Bank for Reconstruction and Development

1. Roles and Responsibilities
2. Signed Trust Fund Administration Agreement
Department of State Roles and Responsibilities
Points of Contact (POC)

The Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management (A/LM/AQM)

1. Grants Officer (GO)
   The Grants Officer is the only person authorized to approve a payment, award, amend, and terminate a federal assistance award. The recipient must contact the GO to request changes to the federal assistance award, terms and conditions including an extension, budget changes, etc. The GO’s name, email and telephone number are:
   Barbara L. Jones
   A/LM/AQM
   +1-571-345-0582
   E-mail: JonesBL2@state.gov

Bureau of Oceans and International Environmental and Scientific Affairs (OES)

2. Grants Officer Representative (GOR)
   The Grants Officer Representative (can also be the Project Officer) is the person with the technical expertise related to program implementation and who is designated, in writing (see attached GOR letter), by the GO to administer certain aspects of a specific federal assistance award. The GOR is not authorized to approve or deny any request to amend the award. The GOR’s name, email, and telephone number are:
   John Verdieck
   OES/EGC
   Telephone: (202) 736-7092
   E-mail: VerdieckJD@state.gov

3. Program Officer (PO)
   The Program Officer (can also be the GOR) is responsible for the programmatic and/or technical aspects of the pre-award cycle. The PO’s name, email and telephone number are:
   Maria Urbina
   OES/EX/CPU
   Telephone: 202-647-4346
   E-mail: UrbinaMA1@state.gov


The above roles are subject to change at any time without necessitating an amendment to the award by US Department of State. Recipients will be notified of any changes via the Grant Solutions System or by email if award is not in Grant Solutions.