Dear Dr. Sach,

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD" or "Bank") as trustee of the BioCarbon Fund ("BioCF") that the Government of the Federal Republic of Germany, acting through its Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety ("Donor"), shall make available as a grant the sum of thirty five million Euros (EUR 35,000,000) ("Contribution") for the BioCF Technical Assistance Trust Fund (TF No. 052033) ("Trust Fund") in accordance with the terms of this Administration Agreement ("Agreement"). Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.

2. The Contribution shall 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 shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement including the "Standard Provisions Applicable to the BioCF Technical Assistance Trust Fund" ("Standard Provisions") attached hereto as Annex 2.

3. The Donor shall deposit the Contribution into such bank account designated by the Bank promptly following countersignature of this Agreement by the Donor and receipt of a payment request by the Bank one single payment of EUR 35,000,000 for the Donor's fiscal year 2014.

4. When making such deposit, the Donor shall 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 (BioCF Technical Assistance Trust Fund), and the date of the deposit ("Deposit Instruction"). In addition, the Donor shall 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 +1 (202) 614-1315.

5. The Bank shall convert the Contribution funds into the holding currency of the Trust Fund, namely United States dollars, promptly upon receipt of the Contribution funds and the Deposit Instruction containing the information specified in paragraph 5 at the exchange rate obtained by the Bank on the date of the conversion. Where the Contribution proves to be insufficient to complete the activities as a result of an exchange rate fluctuation, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

6. Except as provided for in paragraph 5 above, any notice, request or other communication to be given or made under this Agreement shall 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:

Neeraj Prasad
Manager, Knowledge and Partnerships
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: +1 (202) 458-5893
Fax: +1 (202) 522-7432
E-mail: Nprasad@worldbank.org

For the Donor:

Norbert Gorissen
Head of Division E III 7
Federal Ministry for the Environment,
Nature Conservation and Nuclear Safety
11055 Berlin
Germany

Tel: +49 3018 305-2315
Fax: +49 3018 305-3337
E-mail: norbert.gorissen@bmubund.de

7. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the bank account
indicated by the Donor. When making such transfer, the Bank shall 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.

8. All annexes hereto constitute an integral part of this Agreement. This Agreement 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.

9. It is understood that this Administration Agreement, including any annexes, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the UN Charter. It is an administrative agreement between the Trustee and the Donor.

10. Each of the undersigned represents, by confirming its acceptance below, that it is authorized to enter into this Administration Agreement and act in accordance with its terms. The Bank and Donor are each 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.

Sincerely,

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

[Signature]

Neeraj Prasad
Manager,
Knowledge and Partnerships

CONFIRMED AND AGREED:

GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY

[Signature]

Name: Dr. Karsten Sach

Title: Deputy Director General

Federal Ministry for the Environment,
Nature Conservation, Building and Nuclear Safety
ANNEX 1

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

This Annex shall be applicable to and form an integral part of all Agreements 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 shall 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 shall 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.
ANNEX 2

Standard Provisions Applicable to the BioCF Technical Assistance Trust Fund

This Annex shall be applicable to and form an integral part of all Agreements 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 shall be responsible only for performing those functions specifically set forth in this 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 Agreement shall 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 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 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 shall 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 shall be accounted for as a single trust fund and shall 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 shall 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 shall 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 Agreement, 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 shall 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 agreement, 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 shall 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 shall 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 shall be made available to the Donors via the World Bank's Trust Funds Donor Center secure website.

4.3. The Bank shall 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 shall 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 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 paid by the requesting Donor.
4.5 The Bank shall 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 shall 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 shall 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 shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of its policies and procedures. All associated costs shall be borne by the Donor. It is understood that any such review or evaluation shall not constitute a financial, compliance or other audit of the Trust Fund.

6. **Disbursement; Cancellation; Refund**

6.1. It is expected that the Contributions shall be fully disbursed by the Bank by December 31, 2020. The Bank shall only disburse Contributions for the purposes of this Agreement 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 Agreement 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 shall 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 shall 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**

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

8.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements ("Grant Agreements") with recipients ("Recipients") consistent with the purposes of this Administration Agreement 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 Agreements between the Bank and the Donors.

8.2 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any 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 shall 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 shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.