Amendment to the Administration Arrangement between the Government of Canada,
as represented by the Minister for International Development acting through the
Department of Foreign Affairs, Trade and Development (‘DFATD’) and the
International Bank for Reconstruction and Development as trustee of BioCarbon Fund
concerning the BioCF Technical Assistance Trust Fund (TF No.052033)

Dear Mrs. Hogan Rufelds:

1. We refer to the Administration Arrangement between the Government of Canada, as
represented by the Minister for International Cooperation, acting through CIDA (the “Donor”)
and the International Bank for Reconstruction and Development (“IBRD” or the “Bank”) as
trustee of the BioCarbon Fund (“BioCF”) regarding the BioCF Technical Assistance Trust Fund
(TF No. 052033) (the “Trust Fund”) dated March 23, 2011 (the “Administration Arrangement”).

Pursuant to the notification by the Donor regarding the Donor’s legislative name change, all
references in the Administration Arrangement to the “Minister for International Cooperation” and
the “Canadian International Development Agency (CIDA)” will be replaced with “the Minister
for International Development” and the “Department of Foreign Affairs, Trade and
Development”, respectively.

2. To reflect the current contact person responsible for the Trust Fund, the name of the
person and the e-mail address for the Donor in Paragraph 6 of the Administration Arrangement is
deleted, and replaced with the following:

“Name: Carla Hogan Rufelds
E-mail: carla.hoganrufelds@international.gc.ca”

3. In addition, the new Paragraph 8 is added as follows:

“Where appropriate to do so, the Bank will acknowledge the Contributor’s contribution in
any reference made by the Bank with respect to the Trust Fund in publications, speeches,
press releases or other similar materials.”

Accordingly, the old Paragraphs 8 and 9 will be renumbered as 9 and 10.
3. Pursuant to effectively support the recently established Tranche 3 of the BioCF, the Bank proposes to add another Bank-Executed Trust Fund Activity as well as the Recipient-Executed Trust Fund Activities and the corresponding expenditures to the Trust Fund. Accordingly, following paragraphs are amended and added:

(a) The word “and” has been deleted from the end of A. (i)(c) of the Annex 1 to the Administration Arrangement, and “.” is deleted and replaced with “; and” at the end of A. (i)(d) of the Annex 1 to the Administration Arrangement.

(b) New A. (i)(e) of the Annex 1 to the Administration Arrangement is added to read as follows:

“A. (i) (e) Technical Assistance to the National and Sub-national Structures managing climate change funds.”

(c) New A. (ii) of the Annex 1 to the Administration Arrangement is added to read as follows:

“A. (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.”

(d) New B. (ii) of the Annex 1 to the Administration Arrangement is added to read as follows:

“B. (ii) For Recipient-Executed activities, the Trust Fund funds may be used to finance: (a) Consulting; (b) Goods; (c) Operating Costs; and (d) Training.”

4. The phrase “its procurement, financial management, disbursement and safeguard policies,” is inserted into Paragraph 1.2 of Annex 2 to the Administration Arrangement between the words “from time to time, including” and “its framework to prevent”. Accordingly, the new Paragraph 1.2 of Annex 2 to the Administration Arrangement now reads as follows:

“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.”

5. A new Paragraph 4.5 of Annex 2 to the Administration Arrangement is added as follows:
"4.5. The Bank will provide the Donors with copies of all financial statements and auditors’ reports received by the Bank from the Recipients pursuant to the Grant Agreements (as defined below)."

6. The following editorial changes are made to achieve consistency in the language of the Arrangements between the Bank and the Donors throughout the Trust Fund and to correct a typographical error in the paragraph numbers. Paragraphs 6.3 and 6.4 of Annex 2 to the Administration Arrangement are deleted in their entirety and replaced as follows:

"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. A new Paragraph 8 of Annex 2 to the Administration Arrangement is added as follows:

"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 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 the 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.”

8. All other terms of the Administration Arrangement will remain the same.
9. 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, the Donor consents to disclosure of this Arrangement and related information on this Trust Fund.

10. We propose that this letter will constitute an amendment to the Administration Arrangement between the Bank and the Donor. Please confirm your acceptance to the foregoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your records and returning the other original to the Bank. Upon receipt by the Bank of the original Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.

Sincerely,

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

[Signature]
Simon Whitehouse
Acting Manager
Carbon Finance Unit

CONFIRMED AND AGREED:

GOVERNMENT OF CANADA
as represented by the
MINISTER OF INTERNATIONAL DEVELOPMENT
acting through the
DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT

[Signature]
Name: Carla Hogan Rufelds
Director, Environment Division,
Global Issues and Development Branch
Date: 20/05/14