REIMBURSABLE ADVISORY SERVICES AGREEMENT

between

FONDO PARA EL FINANCIAMIENTO DEL SECTOR AGROPECUARIO (FUND FOR AGRICULTURE AND LIVESTOCK SECTOR FINANCING)

and the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AGREEMENT FOR REIMBURSABLE ADVISORY SERVICES

AGREEMENT dated as of the Signature Date (as defined in Paragraph 9 below), between FONDO PARA EL FINANCIAMIENTO DEL SECTOR AGROPECUARIO (FUND FOR AGRICULTURE AND LIVESTOCK SECTOR FINANCING), a public and private capital company created by Article 7 of the Republic of Colombia’s Law No. 16, dated January 22, 1990 (the “Client”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”) (jointly referred to as “the Parties”).

WHEREAS, the Client has requested the Bank to provide to the Client reimbursable advisory services (the “Reimbursable Advisory Services” or “RAS”) described in the Schedule to this Agreement to support the efforts of the Republic of Colombia to design a macro-level index based insurance scheme to compensate small farmers in case of production shocks due to natural disasters;

WHEREAS, the Client issued on August 31, 2016 the document entitled: “Términos de referencia para la contratación de un estudio de factibilidad para implementar un esquema de seguro catastrófico en el país, que reduzca la vulnerabilidad de los productores afectados por riesgos climáticos” (Terms of reference for preparing a feasibility study to implement an insurance scheme for catastrophic events in the country, aimed to reduce the vulnerability of producers affected by climate risks), which document includes, inter alia, detailed guidelines relating to the carrying out of the activities described under Section A.1 of the Schedule to this Agreement.

NOW, therefore, the Parties hereto agree as follows:

1. **Reimbursable Advisory Services.** The Bank shall provide to the Client the services (“Reimbursable Advisory Services” or “RAS”) described in the Schedule to this Agreement, on the terms and conditions set out in this Agreement, including the Annex hereto, which constitutes an integral part hereof.

2. **Client Contacts.** In carrying out the Reimbursable Advisory Services, the Bank shall work closely with the designated officials of the Client. The Client shall provide the Bank with the names and contact information for said designated officials.

3. **Timing.** While the Bank undertakes to mobilize all reasonable means available to it to carry out the Reimbursable Advisory Services in a timely manner, the work program and timetable set out in the Schedule to this Agreement have been prepared in good faith based in light of information currently available to the Bank, and are given on an indicative basis assuming that: (i) the Client and its personnel shall carry out their respective duties in a satisfactory and timely manner; and (ii) the Client shall at all times act in a timely
manner in providing information, making decisions and providing necessary support as provided herein and as requested from time to time by the Bank.

4. **Payment.** (a) The Client shall pay the Bank a fixed fee of two hundred thousand US Dollars (US$200,000) in accordance with the following schedule of payment:
<table>
<thead>
<tr>
<th>No.</th>
<th>Amount of Installment</th>
<th>Event upon which Payment is Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>US$30,000</td>
<td>Completion of Output a., in accordance with Sections A and B of the Schedule to this Agreement.</td>
</tr>
<tr>
<td>2.</td>
<td>US$140,000</td>
<td>Completion of Output b., in accordance with Sections A and B of the Schedule to this Agreement.</td>
</tr>
<tr>
<td>3.</td>
<td>US$30,000</td>
<td>Completion of Output c., in accordance with Sections A and B of the Schedule to this Agreement.</td>
</tr>
</tbody>
</table>

(b) All payments to the Bank hereunder shall be made in full when due, upon submission of an invoice by the Bank. Payment shall be made, in United States Dollars, in immediately available funds, without any deductions whatsoever for taxes, duties, charges or other withholdings, and notwithstanding any pending dispute between the Parties, to such account as the Bank may from time to time designate in writing. Invoices shall be accompanied by the corresponding outputs described in Sections A and B of the Schedule to this Agreement.

5. **Effectiveness.** This Agreement shall become effective as of the Signature Date, once it has been duly signed by both Parties.

6. **Expiration.** This Agreement shall expire on April 30, 2018 unless it shall earlier be renewed with the mutual agreement of the Client and the Bank.

7. **Termination.** Either the Client or the Bank may terminate this Agreement prior to its expiration upon ninety (90) days’ written notice to the other. Upon receipt of such notice, the Parties shall take all appropriate steps to terminate in an orderly manner the activities then ongoing under the Reimbursable Advisory Services and to settle promptly all outstanding matters.

8. **Cooperation.** (a) The Client shall at all times provide the Bank in a timely manner with any and all information that may affect the performance of the Reimbursable Advisory Services, inform the Bank of any developments relating to the Reimbursable Advisory Services, and do all things necessary to enable Bank Personnel to carry out the Reimbursable Advisory Services hereunder.

(b) It is expressly agreed and understood that the Bank shall bear no responsibility for delay in performance occasioned by the Client’s failure to provide its contribution as set forth in Section D of the Schedule to this Agreement or otherwise cooperate as set forth in paragraph (a) above.

9. **Definition.** The term “Signature Date” means the latest of the two dates on which the Bank and the Client signed this Agreement.

10. **Notices and Addresses.** (a) All notices required or permitted to be given pursuant to this agreement shall be in writing and shall be deemed to have been duly given or made
when delivered by hand or by mail, e-mail, or facsimile to the signatories to this Agreement at their addresses as set out below or such other addresses as may be notified by either party from time to time. Notices forwarded by registered mail shall be deemed to be delivered upon delivery. Notices made by e-mail or facsimile transmission shall also be confirmed by mail, with their effective date being the date of initial transmission.

(b) The following addresses are specified for the purposes of this Agreement:

For the Client:

Fondo para el Financiamiento del Sector Agropecuario – FINAGRO
Fund for Agriculture and Livestock Sector Financing
Carrera 13 No. 28-17
Pisos 2, 3, 4 y 5
Bogota, Republic of Colombia

Phone: (57 1) 3203377
Fax: (57 1) 3380197
E-mail: jsoto@finagro.com.co

For the Bank:

The World Bank
1818 H Street, NW
Washington, DC 20433
USA

Phone: (202) 477-1234
Fax: (202) 477-6391
E-mail:
FONDO PARA EL FINANCIAMIENTO DEL SECTOR AGROPECUARIO
(FUND FOR AGRICULTURE AND LIVESTOCK SECTOR FINANCING)

By: 
Authorized Representative
Name: John Karakatsianis Bejarano
Title: Representante Legal – Secretario General
Date: 30 NOV 2015

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: 
Authorized Representative
Name: Issam A. Abouleiman
Title: Country Manager
Date: 30 NOV 2015
SCHEDULE

Description of the Reimbursable Advisory Services

A. Reimbursable Advisory Services. Except as the Client and the Bank may otherwise agree, the Reimbursable Advisory Services shall include the following activities and outputs:

(1) Activities:
   a. Preparation of a work plan for the activities under this RAS ("Work Plan").
   b. Carrying out an institutional, legal, regulatory, operational, technical and financial assessment ("Assessment") for the implementation by the Republic of Colombia ("Colombia") of an Agriculture Insurance Scheme, which will include the identification of opportunities to link the Agriculture Insurance Scheme to existing agriculture credit and guarantee lines offered by the Client and other financial institutions to reduce the risk for financing investments in the agriculture sector. For the purposes of this section: (i) "Agriculture Insurance Scheme" means a Macro-Level Index-Based Insurance Scheme for small farmers; and (ii) "Macro-Level Index-Based Insurance Scheme" means a compensation system in which claim payments are calculated based on a regional parameter or index including, inter alia, yield and climate variables.
   c. Elaboration of technical inputs for an agriculture insurance instrument or instruments that would be part of the Agriculture Insurance Scheme, including: (i) the identification of best practices for insurance policies and/or policy agreements; (ii) the elaboration of an insurance pricing model; (iii) the preparation of an insurance pricing model user manual; (iv) the drafting of a technical note for the agriculture insurance instrument or instruments; and (v) the creation of databases to collect and organize the information used in carrying out the Assessment ("Technical Annexes").
   d. Facilitation of up to three policy-level discussions with selected institutions of the public sector in Colombia, including, inter alia: the Client, the Ministry of Agriculture and Rural Development, the Ministry of Finance and Public Credit and and the Colombia Financial Superintendency to identify the most appropriate agriculture Insurance Scheme ("Selected Insurance Scheme") to be piloted by the Client ("Pilot").
   e. Provision of assistance in the design of the Pilot by the Client based on up to two departments of Colombia.
f. Preparation of a policy note for policy-makers in Colombia, with recommendations to be considered for implementing the Selected Insurance Scheme ("Implementation Policy Note").

(2) Outputs:

a. Work Plan;
b. Report comprising: the Study, the Assessment, the Implementation Policy Note, and the Technical Annexes ("Report"); and
c. Implementation Policy Note.

It is expressly agreed and understood that the Bank shall not be responsible for: (a) the implementation nor the evaluation of the Client's implementation of the Agriculture Insurance Scheme; nor (b) the carrying out of the Pilot.

Any change to the foregoing scope of work shall be set out in a writing signed by the Client and the Bank, setting out the additional work to be undertaken and the fees in respect thereof.

B. Timetable. Except as the Client and the Bank may otherwise agree, the Bank shall endeavor to perform the Reimbursable Advisory Services in accordance with the following tentative timetable:

<table>
<thead>
<tr>
<th>No.</th>
<th>Output</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>b.</td>
<td>Report</td>
<td>December 15, 2017</td>
</tr>
<tr>
<td>c.</td>
<td>Implementation Policy Note</td>
<td>March 15, 2018</td>
</tr>
</tbody>
</table>

C. Bank Personnel. The following is an indicative list of the persons likely to be involved in carrying out the Reimbursable Advisory Services:

- Diego Arias Carballo, Team Leader, Senior Agriculture Economist;
- Jose Angel Villalobos, Senior Financial Sector Specialist;
- Miguel Fernando Pinedu Palau, Senior Rural Development Specialist;
- Pablo Valdivia Zelaya, Consultant;
- Panayotis N. Varangis, Head, Finance for Development Unit, Finance & Markets Global Practice; and
- Wanessa De Matos Firmino Silva, Program Assistant.

D. Counterparts and Facilities. The Client shall carry out the following activities and provide the following facilities in support of the Reimbursable Advisory Services:
(1) provide all the information, documents, data and logistical support required for the carrying out of the Activities described in Section A of the Schedule to this Agreement; and

(2) send written notifications to the Bank when a deliverable is considered acceptable to the Client. In the absence of a written notification from the Client fifteen (15) days after the Bank has furnished the deliverable to the Client, such deliverable will be considered acceptable to the Client.

E. **Records.** The Bank shall keep appropriate records of the Reimbursable Advisory Services in accordance with its normal record-keeping practices and shall furnish to the Client such information regarding the Reimbursable Advisory Services as the Client shall reasonably request.
ANNEX
STANDARD TERMS AND CONDITIONS

1. **Performance Standard; Non-Exclusivity.** The Bank hereby shall carry out the Reimbursable Advisory Services with the same care and diligence as it uses in its other analytical and advisory activities. The engagement of the Bank as adviser to the Client hereunder is non-exclusive and shall not restrict the Client from engaging other advisers on the same or related issues.

2. **Bank Personnel.** The Bank shall, in its sole discretion, determine the composition of the staff (including staff holding consultant appointments) ("Bank Personnel") assigned to perform the Reimbursable Advisory Services. The Schedule to this Agreement contains an indicative list of Bank Personnel likely to be involved in carrying out the Reimbursable Advisory Services; provided, however, that the Bank retains at all times the right to assign such other person or persons in addition to, or substitution for, any of the persons appearing on that list as the Bank may deem necessary or appropriate in the performance of its duties hereunder. The Client may, if it has reasonable cause for dissatisfaction with the performance of any of the Bank Personnel, request the Bank to replace such person(s). For avoidance of doubt, it is agreed and understood that this Agreement does not create any employment or other contractual relationship between the Client and Bank Personnel.

3. **Client Contributions.** The Client shall carry out the activities and provide the facilities and other arrangements set out in the Schedule to this Agreement.

4. **Bank Operational Policies.** The Bank shall provide its advice in a manner consistent with its relevant environmental and social safeguards policies.

5. **Confidentiality.** The Parties agree that this Agreement and the outputs set out in the Schedule to this Agreement shall only be made available to the public after the Client has given its written consent to such disclosure. For this purpose, the Client hereby authorizes the Bank to publicly disclose this Agreement and the outputs set out in the Schedule to this Agreement in their final form. With respect to underlying information provided by the Client in support of the Reimbursable Advisory Services, the Client reserves the right to designate said information as confidential. The Bank may publicly disclose such information only after the Client has given its prior consent. With respect to underlying information (other than the final outputs) provided by the Bank in support of the Reimbursable Advisory Services, the Bank reserves the right to designate said information as confidential. The Client may publicly disclose such information only after the Bank has given its prior consent.

6. **Intellectual Property.** The intellectual property rights of each Party in any of its pre-existing data or documents used by the Bank in connection with the Reimbursable Advisory Services shall remain with that Party. The intellectual property rights in new materials prepared by the Bank in connection with the Reimbursable Advisory Services
shall belong to the Client; provided, however, that the Bank shall have the global, non-exclusive, perpetual (for the duration of the copyright), fully sub-licensable and royalty-free right to use, copy, display, distribute, publish and create derivative works of all or part of these materials and incorporate the information therein in its research, papers, publications, web sites, and other media without the consent of the Client, subject to the limitations on disclosure of confidential information and any third party rights, as indicated in Section 5, Confidentiality, of this Annex.

7. **Representation of the Bank’s Views and Use of the Bank’s Name, Marks and Logo.** (a) The Client agrees that it shall not represent, or permit the representation of, the Bank’s views without the prior written consent of the Bank.

(b) The Client further agrees that it shall not use, or permit the use of the Bank’s name, marks or logos in any advertisements, promotional literature or information without the prior written consent of the Bank, and that if such consent is provided that it shall use the name, marks and logos strictly in accordance with the permission provided and with the insertion of the Bank’s usual disclaimers.

(c) Both Parties shall include the appropriate attribution and disclaimers in new materials prepared in connection with the Reimbursable Advisory Services.

8. **Disclaimers and Liabilities.** (a) While the Bank shall make diligent efforts in its performance of the Reimbursable Advisory Services, the Bank makes no express or implied representation or warranty as to the extent of success that may be achieved in the implementation of any recommendation contained in any work product prepared by or with the assistance of the Bank or Bank Personnel.

(b) Without limitation to the immunities and privileges of the Bank under its Articles of Agreement and other applicable rules of law, the Bank shall not be liable to the Client or other third party for any loss, cost, damage or liability that the Client shall incur as a result of the Reimbursable Advisory Services.

(c) The Parties acknowledge and agree that it is not the purpose of this Agreement to create a partnership, joint venture or similar arrangement whereby the Parties could be held jointly liable vis-a-vis third Parties or for any other purposes. Nothing herein shall constitute a commitment by the Bank to provide financing to the Client in respect of a project or otherwise.

9. **Enforceability.** The rights and obligations of the Bank and the Client under this Agreement shall be valid and enforceable in accordance with their terms notwithstanding the law of any state or political subdivision thereof to the contrary.

10. **Settlement of Disputes.** (a) The Parties hereto shall endeavor in good faith to resolve any differences and disputes under, or in connection with, this Agreement by amicable settlement. Any dispute arising out of or in connection with this Agreement which
is not settled by agreement of the Parties shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on the date of this Agreement. In the event of a conflict between the UNCITRAL Arbitration Rules and the terms of this Agreement, the terms of this Agreement shall govern.

(b) Neither the Client nor the Bank shall be entitled in any proceeding under paragraph (a) of this Section to assert any claim that any provision of these Standard Conditions or of the RAS Agreement is invalid or unenforceable because of any provision of the Bank’s Articles of Agreement.

11. Privileges and Immunities; Tax Immunity. The Client recognizes and shall take all reasonable steps to give effect to the status, immunities and privileges of the Bank and its Personnel set forth in the Bank’s Articles of Agreement and other applicable rules of law. The Parties acknowledge and agree that no provision of this Agreement, nor the submission to arbitration by the Bank, in any way constitutes or implies a waiver, renunciation, termination, or modification by the Bank of any privilege, immunity or exemption of the Bank granted in the Bank’s Articles of Agreement and other applicable rules of law. This includes, inter alia, the immunity of the Bank, its assets, income and its operations and transactions, from all taxation and customs duties.

12. Amendments. Any amendment or waiver of, or any consent given under, any provision of this Agreement shall be in writing and, in the case of an amendment, signed by the Parties.

13. Saving of Rights. No course of dealing and no failure or delay by any party hereto in exercising any power, remedy, discretion, authority or other right under this Agreement shall impair, or be construed to be a waiver of or an acquiescence in, that or any other power, remedy, discretion, authority or right under this Agreement, or in any manner preclude its additional or future exercise.

14. Successors and Assignees; No Assignment without Consent. This Agreement binds and benefits the respective successors and assignees of the Parties, provided that none of them may assign this Agreement in whole or in part without the prior consent of the other.

15. Entire Agreement and Counterparts. (a) This Agreement, together with [all its] Schedule[s], constitutes the entire agreement among the Parties hereto and supersedes any and all prior agreements, understandings and arrangements, oral or written, between the Parties with respect to the subject matter hereof.

(b) This Agreement may be executed in several counterparts, each of which is an original, but all of which constitute the same agreement.

16. Termination. Notwithstanding termination or expiration of this Agreement, the provisions of this Agreement relating to (i) obligation of confidentiality
under Section 5 of this Annex, (ii) the obligations spelled out in Sections 6 on Intellectual Property and 11 on Privileges and Immunities of this Annex; and (iii) the obligation of the Client to pay to the Bank remuneration for the Reimbursable Advisory Services performed prior to the date of termination or expiration of the Agreement, as well as reimbursement of any reasonable costs related to the termination of the Agreement by the Client, shall continue in full force and effect.