Ms. Caroline Merle  
Director  
ONF Andina  
Carrera 8 No. 69-60  
Quinta Camacho  
Bogotá  
Colombia

Re: Colombia: Strengthening Capacity on Good Environmental Practices for Commercial Reforestation in the Magdalena Bajo Seco Technical Assistance Project  
Grant No. TF018361

Dear Madam:

In response to the request for financial assistance made on behalf of the ONF Andina (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as administrator of grant funds provided by multiple donors (“Donors”) under the BioCarbon Technical Assistance Trust Fund (“BioCarbon Fund”), proposes to extend to the Recipient, for the benefit of the Republic of Colombia (“Member Country”), a grant from the BioCarbon Fund in an amount not to exceed seventy-four thousand forty United States Dollars (U.S.$74,040) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank.
Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Gerardo Corrochano
Country Director
Colombia and Mexico
Latin America and the Caribbean Region

AGREED:

ONF ANDINA

By: Caroline MERLE __________________________
    Authorized Representative

Name: Caroline MERLE __________________________

Title: Director __________________________

Date: 26/06/2015 __________________________

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.


Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions and the following additional terms have the following meanings:

(a) "CDM Project" means the Commercial Reforestation in Lands Dedicated to Cattle Grazing in the Magdalena Bajo-CDM Project, which is the subject of the Emissions Reduction Purchase Agreement (ERPA) entered into between the World Bank-Bio Carbon Fund and ONFI on July 12, 2013.

(b) “CDM Project Beneficiaries” means the small, medium and large-size farmers engaging in intensive cattle grazing activities and participating in the CDM Project.

(c) “CDM Project Implementation Partners” means: (i) Cormagdalena; and (ii) A.W. Faber Castell.

(d) “Environmental Good Practices Manual” is the manual required by the EMP on good environmental practices to be implemented by the CDM Project Beneficiaries, and to be developed pursuant to Component 1 of this Project.

(e) “Environmental Management Plan” or “EMP” is the plan developed for the CDM Project by the Recipient and approved by the World Bank on July 3, 2013.

(f) “ONFI” means the ONF International, S.A.S., a limited liability company established under the laws of the French Republic, with its registered office at Jardin Tropical, 45 bis, avenue de la Belle Gabrielle, 94736 Nogent Sur Marne Cedex France.

(g) “Procurement Accountability Mechanism” is the online service and/or e-mail account to be set up by the Recipient, in order to allow the public to submit complaints, comments or claims in relation to the procurement process.

(h) “Procurement Manual” is the simplified set of instructions on how the Recipient is to undertake procurement activities in compliance with the World Bank’s Procurement Guidelines.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to strengthen the capacity of the Recipient, and the CDM Project Implementation Partners for effective implementation of the Environmental Management Plan (EMP) for the CDM Project.
The Project consists of the following components:

**Component 1: Environmental Good Practices Manual and Field Notes**

Developing the Environmental Good Practices Manual and field notes which outline good practices for avoiding or mitigating environmental risks identified in the CDM Project’s EMP.

**Component 2: Capacity Building for the Implementation of Environmental Good Practices**

Delivering training events and workshops related to the Environmental Good Practices Manual, including workshops with the CDM Project Implementation Partners and the CDM Project Beneficiaries.

**Component 3: Monitoring of EMP Implementation**

Preparing and delivering reports consistent with the EMP, which include, *inter alia*: (a) a summary of EMP implementation including capacity building and training events; (b) a summary of surveys carried out by the Recipient on environmental management practices implemented by the CDM Project Beneficiaries; and (c) conclusions and recommendations regarding environmental good practices in the CDM Project.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); (c) this Article II; (d) the EMP; and (e) the Procurement Manual.

2.03. **Institutional and Other Arrangements.**

The Recipient shall ensure that:

(a) it retains, for the duration of the Project, staff trained in the World Bank’s Procurement Guidelines, with qualifications satisfactory to the World Bank; and

(b) it establishes, and maintains for the duration of the Project, the Procurement Accountability Mechanism.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donor(s) to visit any part of the Member Country’s territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of 12 months, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.
The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.07. **Procurement.** All goods, works, non-consulting services, and/or consulting services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 (revised July 2014) ("Procurement Guidelines"), and the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 (revised July 2014) ("Consultant Guidelines").

2.08. Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.

**Article III**

Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants' and non-consulting services, goods, Training and Workshops, and Operating Costs for the Project</td>
<td>74,040</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>74,040</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this paragraph, the term:

(a) “Training and Workshops” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services
of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services); and

(b) (ii) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient, except that withdrawals up to an aggregate amount not to exceed fourteen thousand eight hundred eight United States Dollars (U.S. $14,808) equivalent may be made for payments made prior to this date but on or after June 30, 2014, for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2017.

**Article IV**

Recipient’s Representative; Addresses

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Director.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

ONF Andina
Cra 8 N°69-60
Quinta Camacho
Bogotá
Colombia

Facsimile:
+57-1-7557285

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile: 1-202-477-6391