



Terra Bella Colombia Fund

Cooperative Agreement Award No. AID-514-A-16-00003

Year 2 Implementation Plan (January 1, 2017 – December 30, 2017)

Project Title: Terra Bella Colombia Fund

USAID Mission: USAID/Colombia

Cooperative Agreement: AID-514-A-16-00003

Implementer: Terra Global Capital

Funding Period: December 24, 2015 through December 23, 2020

Preparation Date: November 2016

Prepared by: Leslie Durschinger, Terra Global Founder, Managing Director



This document includes data that shall not be disclosed outside the U.S. Government and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this application. If, however, a grant is awarded to this applicant as a result of - or in connection with - the submission of this data, the U.S. Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting grant. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction is contained in all sheets

Table of Contents

ACRONYM LIST 4

EXECUTIVE SUMMARY 5

1 PROJECT OVERVIEW 6

1.1 PARTNERSHIP DESIGN6

1.2 OVERALL STRATEGY8

1.3 IMPLEMENTATION CONSIDERATIONS.....8

1.4 EXPECTED RESULTS, OUTPUTS AND DELIVERABLES.....9

2 PROGRAM IMPLEMENTATION APPROACH, EXPECTED RESULTS AND ACTIVITIES 11

2.1 TECHNICAL ASSISTANCE COMPONENT (TA) 11

2.1.1 *Expected Results for Year 2*..... 12

Expected Result-TA.1 – Established procedures and outreach processes for screening projects to receive investment readiness technical support sub-awards..... 12

Activity 1.1 Create investment readiness and gap evaluation framework for TA selection process 12

Activity 1.2 Expand Terra website (English and Spanish) to provide procedures, processes and timeline for applying for TA..... 12

Activity 1.3 Conduct outreach to potential projects to submit expressions of interest for TA linked to Fund..... 13

Year 2 - Key Deliverables TA.1 13

Expected Result-TA.2 – Conducted outreach to projects to receive technical assistance and Fund Investment 13

Activity 1.4 Screen TA project applications, identify grant recipients and implementation partners 13

Activity 1.5 Document investment readiness TA support packages and draft agreements for selected projects, with defined requirements for Fund investment 15

Activity 1.6 Define reporting metrics and indicators tailored for each project 15

Year 2 - Key Deliverables for TA.2..... 15

Expected Result-TA.3 – Execute sub-awards and begin implementation of TA projects (SUBJECT TO FUND’S 1ST CLOSE) 15

Activity 1.7 Make TA Investment Readiness Assessments Grants for Potential Investment Projects 15

Activity 1.8 Manage Investment Readiness TA grants 16

Activity 1.9 Best practices Workshop to all TA Contract participants 16

Year 2 - Key Deliverables for TA.3 (SUBJECT TO FUND 1st CLOSE) 16

2.2 TBCF COMPONENT 1 -TERRA BELLA FUND MANAGEMENT AND ADMINISTRATION (TBCF-C1) 16

2.2.1 *Expected Results for Year 2*..... 17

Expected Result-TBCF.1.1 – Incorporate and operationalize the Terra Global local entity 17

Activity 2.1 Expected Result-TBCF.1.1 – Incorporate and operationalize the Terra Global local entity 17

Activity 2.2 Secure office space in Bogota 17

Activity 2.3 Setup office with physical and technical requirements 17

Activity 2.4 Setup financial, procedural and administrative systems to manage entity 17

Activity 2.5 Register local entity and execute required agreements with Terra US entity 17

Activity 2.6 Identify, screen and hire 2 local team members..... 17

Activity 2.7 Perform audit on 2015 financials for Terra entities 17

Year 2 - Key Deliverables for TBCF-C1..... 17

Expected Result-TBCF.1.2 – Secure additional \$3 - \$10 million in investment capital to complete first close the Fund 18

Activity 2.8 Capital Raise for 1st Close of Fund 18

Year 2 – Key Deliverables TBCF.1.2 19

Expected Result-TBCF.1.3 – Terra Bella Fund formation complete and registered with the Superintendencia 19

Activity 2.9 Develop draft Reglamento for Terra Bella Colombia Fund 19

Activity 2.10 Review Reglamento with Administrator and Submit to Superintendencia..... 19

Activity 2.11 Revise Reglamento for Superintendencia and Investors..... 19

Activity 2.12 Obtain approval of the Superintendencia 20

Year 2 – Key Deliverables TBCF.1.3 20

Expected Result-TBCF.1.4 – Fund investment management tools, financial models and operational processes established 20

Activity 2.13 Hire fund administrator and complete contract 20

Activity 2.14 Establish Fund Investment Processes and Policies..... 21

Year 2 – Key Deliverables TBCF1.4.....	21
Expected Result-TBCF.1.5 – Fund Management Functions Being Performed to Channel Investments and Report to Investors (SUBJECT TO FUND’S 1 st CLOSE)	22
Activity 2.15 Prepare Investments for Approval by the Fund Investment Committee	22
Activity 2.16 Secure Complementary Financing Instruments	22
Activity 2.17 Manage Investment Portfolio	22
Year 1 – Key Deliverables.....	23
2.3 TBCF COMPONENT 2 - TERRA BELLA FUND INVESTMENTS (TBCF-C2)	23
2.3.1 Expected Result-TBCF.2.1 – First investment commitments made from Fund for 1 -2 project (SUBJECT TO FUND’S 1 st CLOSE).....	23
Year 1 - Key Deliverables TBCF 2.1.....	24
3 CROSS CUTTING OBJECTIVES	25
3.1 GENDER EQUALITY AND SOCIAL INCLUSION	25
3.1.1 Introduction and Purpose	25
3.1.2 Background and Context.....	25
3.1.3 Inclusion Practices, Staffing and Training.....	26
3.1.4 Key Stakeholders.....	26
3.1.5 Gender Policies and Legal Framework in Colombia.....	26
3.1.6 Integration by Component.....	27
Planning Process	27
Implementation	28
3.1.7 Gender Monitoring & Evaluation.....	29
3.2 COMMUNICATIONS.....	30
3.2.1 Branding Strategy.....	30
Positioning	30
Program Communications and Publicity.....	30
Primary and Secondary Audiences	30
Communications or Program Materials.....	30
Main Program Messages	31
Press and Promotional Activities	31
Acknowledgements	32
3.2.2 Marking Plan.....	33
Supplies and Equipment	33
Marking Deliverables	33
Technical Assistance Facility	34
Terra Bella Colombia Fund.....	34
Sub-awards	34
Public Communications.....	34
4 OPERATIONS AND MANAGEMENT	35
4.1 STAFFING.....	35
4.1.1 Technical Team	35
4.2 MONITORING AND EVALUATION.....	35
4.3 REPORTING	35
5 BUDGETS (INCLUDING PRE AND POST FUND CLOSE ALLOCATIONS).....	36
6 YEAR 2 - IMPLEMENTATION SCHEDULE.....	38
7 ANNEX A – TERRA BELLA COLOMBIA FUND PROSPECT LIST	44
8 ANNEX B - INVESTMENT READINESS CRITERIA, ACTIVITIES FOR TA FACILITY SUB-AWARDS AND INDICATORS OF INVESTMENT READINESS.....	45
9 ANNEX C – PROJECT EVALUATION PROCESS	47
10 ANNEX D – INVESTMENT READINESS ASSESSMENT (STAGE 2).....	48

Acronym List

B2B - Business to Business	23
CSO - Civil Society Organization	29
DOC - Director of Communications	29
GESI - Gender Equality and Social Inclusion	24
GHG - Greenhouse Gas	7
M&E - Monitoring and Evaluation	28
NGO - Non-Governmental Organizations	7
NTPF - Non-Timber Forest Products	6
PPP - Public Private Partnership	29
REDD+ - Reduced Emissions from Deforestation and Degradation	6
TA - Technical Assistance	6
TBCF-C1 - Terra Bella Colombia Fund Component 1	6

CONFIDENTIAL

Executive Summary

Terra Bella Colombia Fund (RFA-514-15-000011), with a timeline of five years, presents the workplan for Year 2 of the program from January 1, 2017 – December 30, 2017.

Section 1: Introduction

This section provides a short description of the partnership including its design, implementation

This program creates a Public Private Partnership between USAID and Terra Global to attract new sources of private investment capital to the Terra Bella Colombia Fund, whose focus is funding smallholder agriculture, non-timber forest products (NTFP), and climate change mitigation projects in Colombia.

consideration and the objectives and expected results for the period.

Section 2: Program Implementation Approach, Expected Results and Activities

This section provides a narrative of each of the expected results. It further describes in details each of the activities that will be implemented in Year 1 and the expected results that they will produce. In addition, under each of the expected results the deliverables in the period are identified.

Section 3: Cross Cutting

In this section, the key cross cutting components are included such as the Gender Strategy and the Communication Strategy. The Branding Strategy and the Marketing Plan are included within the Communications section.

Section 4: Operations and Management

In this section, the staffing for the partnership is detailed, the assignment of lead and supporting staff to each activity is included in Year 2 - Implementation Schedule. A section for Monitoring and Evaluation is included, but has been left blank and will be completed by March 23.

Section 6: Year 2 - Implementation Schedule Included in Section 6 are each of the activities under each expected deliverables. Each activity has been assigned a delivery month as well as lead and supporting staff member.

1 Project Overview

1.1 Partnership Design

Global climate change, driven by fossil fuel use and deforestation is directly impacting the livelihoods of millions of people, especially the most vulnerable, such as communities that are highly dependent on agriculture and land management. As in many countries, in Colombia this presents an enormous challenge to communities looking for ways to adapt and mitigate the risks of a changing environment. By better managing their natural resources through supporting land tenure policies, protecting biodiversity, mitigating and adapting to the effects of climate change, Colombian communities can achieve a greater social, environmental and economic benefit resulting in sustainable development for current and future generations. This also supports the ongoing peace process in Colombia and the implementation of its outcomes while providing opportunities in a post conflict context. Colombia is one of the most biologically diverse countries in the World and their natural resources are crucial for the development and wellness of its population. Colombia has made significant progress towards national development plans as well as designing and implementing its program for preparedness for attracting private finance and participation in payment-for-performance and market-based mechanisms for REDD+ and related programs.

Community-based sustainable land-use projects that produce improved livelihoods and climate change mitigation benefits have been almost completely funded by donors, yet only a few have evolved into long-term financially sustainable businesses that no longer rely on donor funds. There are investors who are interested in providing capital to these sectors, particularly in countries like Colombia with a fairly advanced financial regulatory environment, but the risks are perceived as too high and the effort to identify and make projects investment ready is not a priority. Without establishing a track record of successful investments it is impossible to attract scaled sources of private investment for smallholders engaged in social, environmental and financially sustainable landscape management.

In response to the challenges associated with attracting private sector finance to smallholder agriculture/NTFP and climate change mitigation, Terra Global has worked with USAID to design this public private partnership to address this financing gap. The partnership has three components Technical Assistance for Investment Candidates (TA), Terra Bella Colombia Fund Component 1 (TBCF-C1) for Terra Bella Fund Management and Administration, and Terra Bella Colombia Fund (TBCF-C2) for Fund Investments.

Terra Global Capital is the prime recipient for the cooperative agreement and has overall management, financial and administrative responsibility over the life of the program. Terra will ensure compliance with the terms of the cooperative agreement on behalf of itself and all sub-awardees. Terra Global will establish a local Colombian company Terra Colombia, SAS that is wholly owned by Terra Global Capital, and will have a local staff to support the implementation of the partnership, along with the international investment team. The Terra Colombia team will include 2 full time local hires, with experience in Smallholder Agricultural Finance/Markets and Rural Development.

The Technical Assistance for Investment Candidates, will be implemented in coordination with local NGOs and other organizations that can provide the technical expertise to the investees. Working with investees and their implementing partners, Terra will structure the technical assistance packages to support building investment readiness. Sub-awards will be provided to the investee and implementing entities to ready the projects for an investment from the Fund. Terra Global’s advisory team, may also support some aspect of the technical assistance, most specifically related to emission reductions, and these scoped and budgeted for within the technical assistance facility and integrated within the overall technical assistance package.

The objectives of the partnership are:

#	Objective
1	Strengthen smallholder technical capacity to produce high value crops/NTFPs and contribute to climate change mitigation
2	Increase smallholder agricultural/NTFP productivity and income streams from high value crops
3	Generate GHG emission reductions/increase removals
4	Improve smallholder overall capacity to access finance and manage the business
5	Increased participation of the private sector in providing investment capital to smallholders for sustainable landscape management
6	Expand institutional capacity to address climate change issues

1.2 Overall Strategy

The most critical deliverable in the second year is to complete the first close the Terra Bella Colombia Fund. This will be achieved in parallel with operationalizing the technical assistance facility.

1.3 Implementation Considerations

The following are the principal implementation considerations for the period:

Reaching the First Close of the Fund

Investor prospecting and securing investments to make the Fund's first close is the fundamental implementation priority for this Year 2, now that Terra's Colombian company is established, a local team is in place and an office in Bogota is operational. In this Year 2 workplan the team has defined the specific activities with milestone deliverables and budgets that will be met to ensure that the Fund can close and that USAID has a defined budget outlay prior to the Fund close.

The TBCF is an innovative initiative unique to Colombia, which if not pitched correctly, could become complicated to understand for investor prospects, specifically when discussing the emissions reductions compartment, as we have found that to many potential investors this is a new and unknown subject, yet once explained they find it highly attractive. Some potential investors consider the Fund strategy one that ties in directly to their goals regarding social responsibility, post conflict efforts and impact investing all surrounding the environmental benefits that the Fund will provided to the communities.

We have found that potential leads are often attracted to the Fund but unsure as to how to sell it to their boards, in some cases we have prepared DD documents that are passed on the technical people whom do not quite understand the content therefore are unsure on how to proceed and continue to request more and more information. On other occasions we have found that there is genuine interest at the technical level, however they are unsure as to how to sell it to their investment committee, which ends up taking more time than expected.

In many cases we have found that institutions do not have a defined due diligence process that they follow, so instead we are asked to come in and pitch the Fund to different groups of people and provide copies of the presentations, so they can prepare specific questions they then ask us to respond. Finally, we have potential investors whom are very interested but due to regulation issues are unable to invest at this moment and have asked to put off conversations until 1Q 2017. Overall we have seen great interest in the Fund and believe we will close soon, it is just a matter of time since it is a new approach (value chain bottom up and ER compartment) instead of the traditional one.

These challenges are being addressed by the team by: 1) staying focused on fund raising and ensuring prompt follow-up with leads and high quality materials, 2) revising the time period required to complete the 1st close of the Fund (subject to USAID approval, as provided in the Year 2 workplan) to extend for an additional 12-18 months, recognizing that fund raising for this fund takes time, and uncertainty about the peace process has some potential investors on hold,

and 3) preparation of a standard due diligence document to provide to investors without a due diligence process as a simpler way to evaluate the Fund.

Peace Process

The final peace agreement was adopted this month, which will likely bring additional aid to support rural committees in Colombia which can be leveraged directly and indirectly for the Fund. This supports building the enabling conditions to make some of the investment projects more bankable, through improved access and infrastructure. There are also funding mechanisms that are interested in looking at reimbursable financing instruments. Adopting the peace agreement will have a positive impact on the program, but it could also have the perverse impact of increasing pressure on forests and in-migration to areas that have traditionally been controlled by the FARC.

Field Risk and Mitigation

The security situation in some target regions continues to be tenuous, with negative impacts obvious in both the economic and social sectors in forested areas, where drug and illegal trafficking creates and promotes the deterioration of security, affecting life in local communities and the ability for a project to operate effectively and deliver financial results. There is also BACRIM (criminal bands) and guerrilla presence in areas. Project trips will be planned with organizations and groups familiar with the project areas and the risks of travelling to these areas. Proper security measures will be taken to protect staff and partners. The program will avoid areas where Colombian military and security forces have not guaranteed that the area is free of armed groups. In cases where security has deteriorated after a project has been funded, the program will identify organizations (such as University of Antioquia) with experience in traveling to high risk areas to conduct the required stakeholder engagement and monitoring.

1.4 Expected Results, Outputs and Deliverables

Figure 1 provides the mapping between the Partnership objectives and expected results detailed in Section 2 which also provides the detailed deliverables required to produce each expected result.

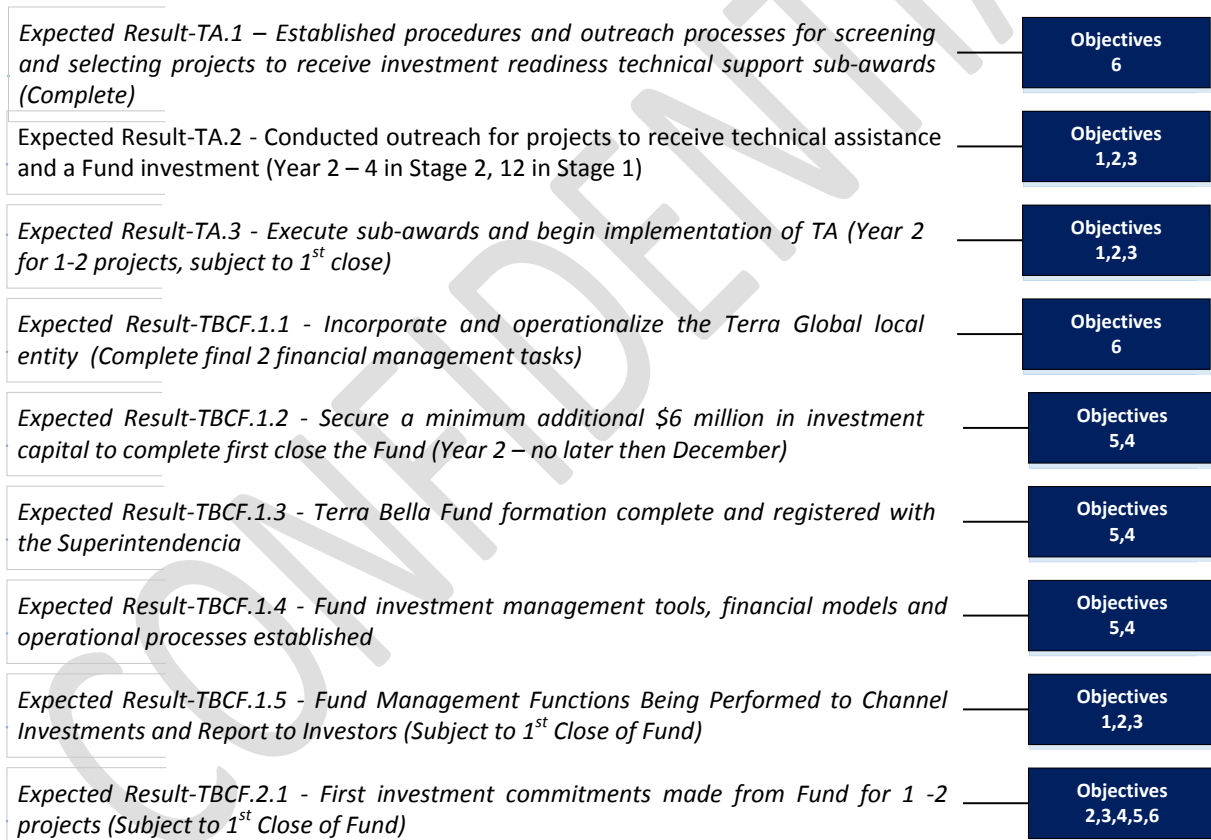
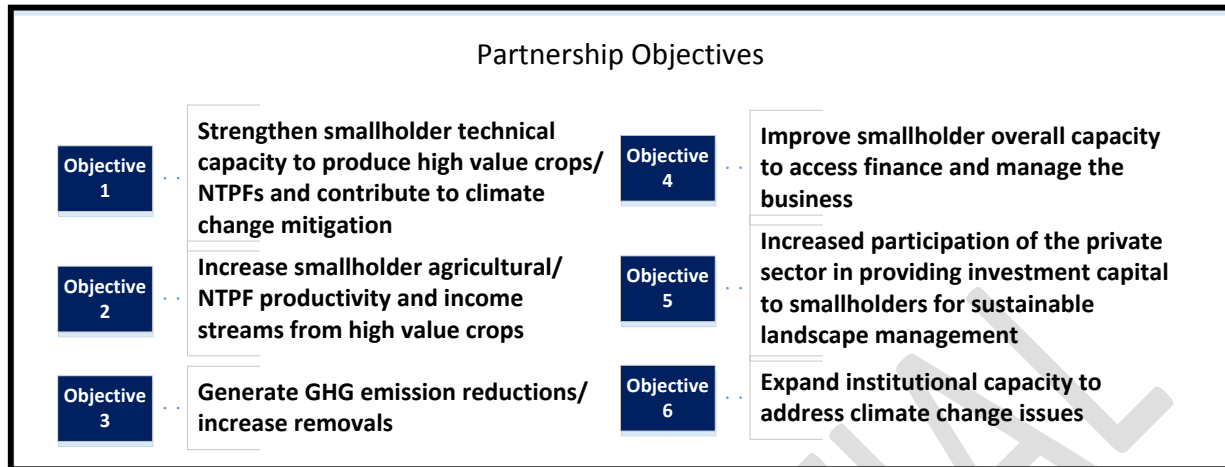


Figure 1. Mapping between Objectives and Expected Results

2 Program Implementation Approach, Expected Results and Activities

2.1 Technical Assistance Component (TA)

This component is designed to deliver Investment Readiness Technical Assistance sub-awards to project entities and local implementing partners to support the projects in meeting the Investment Readiness Criteria for the Fund (see box).

In Year 1, the process for applying for TA and screening and assessing projects was developed and piloted.

The Investment Readiness Technical Assistance sub-awards will range from US\$50,000 to US\$250,000 per project and support 3 to 6 projects over the first 3 Years. Funding will be awarded to projects that demonstrate the ability to become Investment Ready through the available technical assistance support and will bring investment value to the Fund making them financially sustainable in the long-run.

The Technical Assistance Facility will be managed with the following criteria:

- Maximum funding for a project US\$250,000 or 30% of the size of the Fund's Investment (whichever is smaller)
- TA projects cannot last longer than two years
- TA funds cannot subsidize long-term operating costs of projects
- TA funds recipients must demonstrate commitment to the outcomes of the projects and completing an investment from the Fund, which will be included in the terms of their sub-agreements and linked to how their milestone/deliverable-based payments are made.
- In some cases, TA projects will be expected to provide match funding and/or in-kind funding this will be determined on a case by case basis. The types of leveraged funds will likely include from community groups in-kind of time and materials from community groups and from NGO implementing partners matched funds from other donors and other eligible forms of leverage. The Program will target at last 25% leverage for TA grants.
- TA projects must deliver development outcomes with a particular focus on jobs created, increased incomes, reduced emissions, scaling, commercialization plans, engagement of

Box 1 - Investment Readiness Criteria

- Community/Small Holder Engagement is Conducted Around Securing Investment
- Land Tenure Rights are Secured
- Project Partner Capacity for Management and Investment Entity Exists
- Agricultural/NTFP Production and Value Chain Potential is Quantified
- Emission Reduction Potential is Quantified
- Project Plan created that aligns Livelihoods Improvements, Ag/NTFP Production and Climate Mitigation
- Financial Projections are developed for the Project Life
- Benefit Sharing and Funds Management Arrangements are Developed

local partners, knowledge transfer information, and systematization of processes and improvement of livelihoods at a community level.

Projects in the pipeline for TA and Fund investments are tracked by stages based on where they are in the pipeline (see Annex D Project Evaluation Process). The key steps in the Project Evaluation Process are:

- Stage 1 – Eligibility and Investment Potential
- Stage 2 – Investment Readiness
- Stage 3 – Due Diligence
- Stage 4 – Investment Transaction

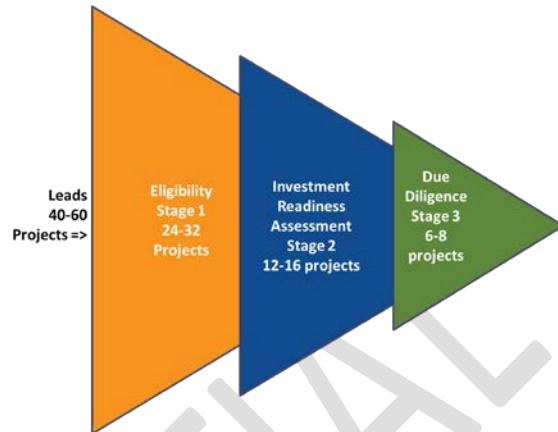


Figure 2. Project Pipeline Targets for within a Year after 1st Close

Until the 1st close of the Fund is secured, no sub-wards will be granted, however projects will be evaluated and prepared to move forward with TA sub-awards upon confirmation that the Fund will be closing.

2.1.1 Expected Results for Year 2

Expected Result-TA.1 – Established procedures and outreach processes for screening projects to receive investment readiness technical support sub-awards

The internal processes for sourcing and evaluating projects was completed in Year 1 and will continue until the Fund 1st close is secure. Year 2 activities related to the TA facility will only use staff resources and domestic travel, but no sub-grants will be provided until the Fund's 1st close is secured. However, building a strong pipeline of ready projects is critical for demonstrating to investors what types of projects the Fund will invest in and the process that the investment team will use for sourcing and evaluating projects. The team, will continue to source additional projects and pilot the TA assessment process throughout Year 2, subject to the budgets provided in Section 0.

Activity 1.1 Create investment readiness and gap evaluation framework for TA selection process

Completed in Year 1

Activity 1.2 Expand Terra website (English and Spanish) to provide procedures, processes and timeline for applying for TA

The current Terra Global website has the basic information on the TA facility. This web presence will be expanded during Year 2, in 2 phases. Phase 1, adding a dedicated Terra Bella Funds page to the current website, and expanding the content to provide more information to projects on accessing TA and to investors on the benefits of making investments. Phase 2, will be building out a dedicated website under the terrabellafunds.com url, which will be started as

soon as there is confirmation on the Fund's 1st close. Content for both phases will be in English and Spanish.

Activity 1.3 Conduct outreach to potential projects to submit expressions of interest for TA linked to Fund

To build a strong pipeline of investment candidates for the Fund, and to ensure the maximum leverage of the technical assistance facility, the team will conduct on-going outreach to potential investment projects. In Year 2, this will be done through industry events and networking, much like it was completed in Year 1, which has identified more than 30 potential projects. All sourced projects who have supplied at least the basic information, will be tracked in Salesforce which captures all correspondence with the projects, Stage in the Project Evaluation Process, and other key project information.

Year 2 - Key Deliverables TA.1

Deliverable	Target Date	Verifiable Indicator
Expanded content on Terra Bella Funds webpage (Phase 1)	Q1 2017	Web pages
Dedicated url for Terra Bella Funds webpage (Phase 2) – Subject to 1st Close	June 2017	Web pages
Source at least 20 new projects to be assessed under Activity 1.4-1.6	June 2017	Project pipeline documents


Expected Result-TA.2 – Conducted outreach to projects to receive technical assistance and Fund Investment

Once projects have been sourced and shown interest in applying for potential TA and a Fund investment, they need to be evaluated using the Project Evaluation Process (Annex D)

Activity 1.4 Screen TA project applications, identify grant recipients and implementation partners

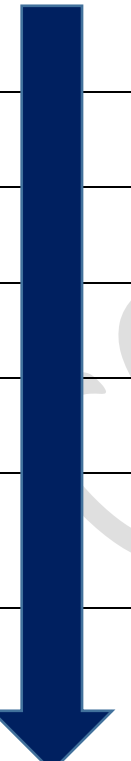
Once projects have expressed interest in applying for TA and a potential investment from the Fund, they will be taken through the Project Evaluation Process Annex C – Project Evaluation Process). During Year 2, it is expected that at least 12 projects will have completed Stage 1 screening demonstrating the ability to move to Stage 2. The team will use the process in Table 1 to move projects through Stage 1.

Table 1. Stage 1 Project Evaluation Process

	Enter Stage 1	1.1 Demonstrates interest in receiving TA and Fund investment received from the project smallholder group or lead implementing partner
		1.2 Initial Information received by project
		1.3 Terra Team conducts initial meetings with project partners
		1.4 Project Screening Template prepared by Terra Team
		1.5 Project reviews and completes Screening Template, including formal request for consideration
		1.6 Business Plan and/or other information submitted by project
		1.7 Terra Team completes Stage 1 score card, clarifies any questions with project and determines if project moves on to Stage 1
End Stage 1	1.8 Terra Team communicates results of Stage 1 to project	

During Year 2, at least 4 projects will have completed Stage 2 investment readiness assessments and be prepared to structure the specifics of TA and the required sub-grants (subject to securing 1st Close).

Table 2. Stage 1 Project Evaluation Process

	Enter Stage 2	2.1 Terra Team requests additional information, including financials and the project's requested funding and performs full review of related research needed to assess investment readiness
		2.2 Terra Team completes initial draft of the Investment Readiness Gap Assessment (Annex D – Investment Readiness Assessment (Stage 2))
		2.3 A visit to the project is conducted to collect additional information and to ensure that expectations with communities groups are properly set
		2.4 Using information gathered during field visit the 2 nd draft of the Investment Readiness Gap Assessment is completed by the Terra Team
		2.5 Terra Team determines whether outside technical help is required to complete the assessment
		2.6 Project reviews the 2 nd draft Gap Assessment and provides additional information to create the 1 st official version, and confirms in writing their interest in TA and a Fund investment
		2.7 Terra Team and project conducts a participatory gap review and develops a scope of work with the activities and budget needed to close gaps to meet the Investment Readiness requirements and be prepared to move to Stage 3 due diligence
Stage 2 Completed	2.8 If required, a Sub-award to be completed and executed with project	

Activity 1.5 Document investment readiness TA support packages and draft agreements for selected projects, with defined requirements for Fund investment

The results of completing Stage 2 will produce a scope of work for TA sub-grants for projects to meet the Fund's investment readiness requirements. This scope of work for each project's TA package will be designed according to the gaps identified in the investment readiness assessment, the activities supported under the TA will be identified collaboratively with the project and each of the project's implementing partners as needed to deliver the outcomes.

Activity 1.6 Define reporting metrics and indicators tailored for each project

Each TA sub-grant will include a set of monitoring requirements that will be used to track the operational and financial performance, as well as provide input into the USAID M&E indicators.

Year 2 - Key Deliverables for TA.2

Deliverable	Target Date	Verifiable Indicator
2 Projects completed Stage 2 – Investment Readiness gap assessment	Q1 2017	Investment Readiness gap assessment document
6 Projects completed Stage 1 – Project Screening that can pass to Stage 2	Q1 2017	Screening document
4 Projects completed Stage 2 – Investment Readiness gap assessment	Q2 2017	Investment Readiness gap assessment document
12 projects completed Stage 1 – Project Screening that can pass to Stage 2	Q2 2017	Screening document

Expected Result-TA.3 – Execute sub-awards and begin implementation of TA projects (SUBJECT TO FUND'S 1st CLOSE)

These activities focus on supporting the delivery of the technical assistance and the on-going monitoring of the performance milestones.

Activity 1.7 Make TA Investment Readiness Assessments Grants for Potential Investment Projects

In compliance with the cooperative agreement, Terra's sub-awards manual (completed in Year 1), and after the USAID environmental compliance requirements have been met, the sub-awards will be executed with the project and their implementation partners.

Activity 1.8 Manage Investment Readiness TA grants

Terra will support the delivery of technical assistance packages designed to make projects “investment ready” and able to secure a Fund investment. These will be structured for delivery over a 6 – 24 month period with deliverable based milestones. Terra will be significantly involved in the oversight and implementation of delivering the technical assistance, and will provide support and technical expertise for these sub-awards to meet the milestones that are required for investment readiness and subsequent investment from the Terra Bella Fund.

Beyond regular communications and training workshops, Terra team will review the quarterly performance reports from sub-awardees and evaluate the performance versus milestones. One component and key milestone for each technical assistance package is the project’s execution of an LOI (and then an investment agreement) between project and Fund.

Linked to the delivery technical assistance packages requires the execution of LOI and subsequently an investment team sheet with the Fund. Each project will be provided, as part of their technical assistance, support by an independent organization to negotiate terms of the LOI and investment agreements.

Activity 1.9 Best practices Workshop to all TA Contract participants

Quarterly training/capacity building workshops with projects receiving technical assistance will be conducted, once there are at least 2 projects receiving TA support. These workshops will be used to engage in cross training, finding synergies between projects receiving technical assistance funding, and allowing sub-awardees to share lessons learned and address challenges and barriers that have been encountered.

Year 2 - Key Deliverables for TA.3 (SUBJECT TO FUND 1st CLOSE)

Deliverable	Target Date	Verifiable Indicator
Execute 1-3 TA awards and begin implementation	June 2017 (subject to 1 st close)	Sub-award documents
Best Practices Workshop (after 2 project TA sub-awards have been made and running for 3 months)	June 2017 (subject to 1 st close)	Workshop participants and notes

2.2 TBCF Component 1 -Terra Bella Fund Management and Administration (TBCF-C1)

This component implements the activities associated with 1) establishing Terra’s local team to support the implementation of the Terra Bella Fund, 2) setting up the local Terra legal entity and 3) Fund structuring and registration. During the life of the program, under this component the team will also perform all the Fund raising and management functions, with the 1st close no later than December 2017 and a 2nd close after Year 3 of the Fund life. Prior to the 1st close of the Fund the following activities will be completed, including; developing/maintaining Fund marketing materials, sourcing investors, supporting investor due diligence, developing all Fund management processes and models, and most importantly completing the 1st closing the Fund.

Post the Fund's 1st close under this component, the team will support investment decision making, transaction negotiating investment performance oversight, managing advisory boards, investor reporting, building market links with supply chain and emission reduction buyers, identifying complementary funding sources and risk mitigation instruments, providing inputs for valuation by the administrator and capital raising for the second closing 2 Years after the 1st close.

2.2.1 Expected Results for Year 2

Expected Result-TBCF.1.1 – Incorporate and operationalize the Terra Global local entity

Activity 2.1 Expected Result-TBCF.1.1 – Incorporate and operationalize the Terra Global local entity

Completed in Year 1

Activity 2.2 Secure office space in Bogota

Completed in Year 1

Activity 2.3 Setup office with physical and technical requirements

Completed in Year 1

Activity 2.4 Setup financial, procedural and administrative systems to manage entity

In Year 2, there are only two open financial requirements for Terra local entity, which will be completed in the first quarter 2017. This includes filing of the first Year's Colombia corporate taxes and outsourcing the running of payroll.

Activity 2.5 Register local entity and execute required agreements with Terra US entity

Completed in Year 1

Activity 2.6 Identify, screen and hire 2 local team members

Completed in Year 1, however the local team will continue to be evaluated to ensure they meet the job requirements and as required staffing changes may be made.

Activity 2.7 Perform audit on 2015 financials for Terra entities

Completed in Year 1

Year 2 - Key Deliverables for TBCF-C1

Deliverable	Target Date	Verifiable Indicator
Hire company to support corporate tax filings	Q1 2017	Service agreement with provider, and taxes filed
Outsource payroll	Q1 2017	Service agreement payroll being run
Staffing evaluations to ensure ability to meet program requirements	On-going	Highly effective team covering all program requirements

Expected Result-TBCF.1.2 – Secure additional \$3 - \$10 million in investment capital to complete first close the Fund

The activities under this component cover all the work to secure the Fund’s 1st close with a minimum of \$12 million. Closing the Fund is the cornerstone of the program, and will be completed by end of Year 2 (December 2017) at the latest.

Activity 2.8 Capital Raise for 1st Close of Fund

During Year 1, Fund marketing materials were developed in both Spanish and English with a short and long version. In addition, because a number investors needed more detail on the emission reduction component of the Fund, a primer was developed to explain how carbon credits are created and monetized. Over 350 pages of due diligence materials were created to support the Fund in going through due diligence.

For Year 2, the team will make on-going enhancements to the Fund marketing materials and respond to ad-hoc requests from investor prospects to provide additional Fund information. To facilitate investors who do not have a standard due diligence process, the team will prepare a Terra Bella Fund DD document and keep this up to date.

The main focus of the team over year 2 will be on closing the Fund, which follows a process that varies from investor to investor. The process that will track the team’s performance on completing the first close includes successfully moving prospects through the steps summarized in Table 3.

Table 3. Managing Investors Pipeline and Stages

Status	Description
Make First Contact	Lead has been identified, but not screened as to the ability to invest and interest in the Fund
Early Stage	Initial contact has shown that they have interest and would like to find out more, may not be screened for ability to invest
Interested	Through 1 or more meetings/calls with and exchange of Fund information, they have positive feedback that they are interested in the Fund and have the ability to invest
Active Discussions	On-going active discussions to learn more about the Fund and the process the investor uses to approve and invest in the Fund
In Due Diligence	The Fund is undergoing the due diligence process and there is clarity about the steps needed to secure an investment
Soft Circle/LOI	The investor has provided a written indication of their interest to invest, with an investment amount provided, this may be a contingent commitment
Committed	The investor has provided a written commitment to invest that is under conditional.

Year 2 – Key Deliverables TBCF.1.2

Milestone	Date	Performance Metric
Pipeline includes at least 3 investors in due diligence	Mar 2017	DD materials submissions
Final member of Investment Committee secured	Jan 2017	Agreement and CV/bio on marketing materials and Fund website
Secure soft circles/letters of intent from at least 1 investor	June 2017	Letter or other form of communication showing intent to invest, under a set of conditions
Pipeline includes at least 8 investors actively in discussions	June 2017	Prospect tracking system and supporting meetings/communications with prospect
Pipeline includes at least 3 investors in due diligence with indications of investment size of at least \$6 million (minimum match for program)	Sept 2017	DD materials submissions, and communications about size of each investment
Secure soft circles/letters of intent from at least 2 investors	Sept 2017	Letter or other form of communication showing intent to invest, under a set of conditions
Letters of Commitment for at least \$6 million	Dec 2017	Letters from investors
Fund reaches 1st Close by	Mar 2018	Final investment documents signed by investors

Expected Result-TBCF.1.3 – Terra Bella Fund formation complete and registered with the Superintendencia

Activity 2.9 Develop draft Reglamento for Terra Bella Colombia Fund

Completed in Year 1

Activity 2.10 Review Reglamento with Administrator and Submit to Superintendencia

Completed in Year 1

Activity 2.11 Revise Reglamento for Superintendencia and Investors

During the approval process of the Superintendencia and with the lead investors, comments on the Reglamento will need to be addressed. This will be of particular importance as it relates to

the COMPARTMENT B of the Fund, which is for emission reduction investments. This type of structure in a Private Equity Fund has never been used on Colombia. Jointly, Terra and its legal counsel Ustariz will review and respond to required edits to the Reglamento.

Activity 2.12 Obtain approval of the Superintendencia

This activity is managed primarily by the lawyer to obtain approval of the Superintendencia for the Fund. This includes 1) presenting the Reglamento before the Financial Superintendencia and answering their observations and 2) obtaining the código de transmission issued by the Superintendencia.

Year 2 – Key Deliverables TBCF.1.3

Milestone	Date	Performance Metric
Reglamento submitted to Superintendencia	Dec 2016	Submitted Document
Reglamento approved by Superintendencia	April 2017	Approval documents

Expected Result-TBCF.1.4 – Fund investment management tools, financial models and operational processes established

In Colombia private equity funds are required by regulation to have an Administrator who interacts with the Superintendencia, manages the cash of the Fund, interfaces with investors on contributions/disbursements/fees, and ensures that the Fund is managed under Colombia regulation. In addition, to evaluate, select, transaction in projects as well as to manage the overall performance of the Fund, there are different investment processes, procedures and models that are required. These include tools and processes required to manage Fund cash flow, value assets, manage risk, and monitor performance versus milestones and report on financial, social and environmental indicators at the portfolio level.

In Year 1, a number of these including 1) investment models, 2) template transaction term sheets, 3) investment procedures and process manual, and 5) policies for conflict of interest, money-laundering, foreign corrupt practice acts. In addition, through a RFP process Fiduararia was selected as the administrator.

In Year 2, the Fund's Investment Committee members will be finalized, additional financial models for different project types will be developed, and operational and compliance manuals for Fund will be completed.

Activity 2.13 Hire fund administrator and complete contract

Completed in Year 1

Activity 2.14 Establish Fund Investment Processes and Policies

Many of the deliverables under this activity were completed in Year 1, for Year 2, the current due diligence materials will be leveraged to create a Terra Bella Colombia Fund “standardized due diligence package” for investors who do not have the defined process.

A key component of the Investment process is having the Investment Committee established. There are five members of the investment committee, these include 3 from the investment team and 2 high level Colombian experts in agriculture and Fund management. Carlos Enrique Cavelier Lozano president of Alqueria and Daniel Cortes ex-CEO of Old Mutual have agreed to be on the Terra Bella Colombia Fund investment committee, and the final agreements will be signed in Q1 2017.

The Terra team working with the Fund Administrator will establish operational and compliance management procedures. These will cover; details of monitoring fund investments, monitoring risk exposures, tracking of contracts and performance milestones, cash flow management, meeting regulatory requirements (including know your customer, foreign corrupt practices act, etc.), valuing assets, and potential co-management transactions.

One of the key components of the Fund documentation is the valuation policy. This policy will be developed under this Activity in Year 2, and will specify exactly how all investment projects will be valued for performance reporting. These will follow the 2015 published edition of the International Private Equity and Venture Capital Valuation Guidelines, and will be adapted to meet the accounting and tax policies of Colombia which have notable differences. The initial draft of the valuation policy has been developed and included in the Reglamento, in Year 2 this will be fully developed and provided to the Fiduciaria.

Beyond the reporting required under the USAID cooperative agreement, there are two other sets of reports prepared by the Fund with support from its administrator. These include the fiduciary and regulatory reporting which will be defined by the lawyers and administrator, and completed in Year 2 (prior to the Fund Close) by the Terra team under this Activity. Investors will receive regular reports as specified on the fund performance, and under this Activity these reports, frequency, sources of data, and review and approval processes will be defined and implemented.

Year 2 – Key Deliverables TBCF1.4

Deliverable	Target Date	Verifiable Indicator
Standardized Due Diligence Document	Q1 2017	Document
Investment Committee agreements in place	Q1 2017	Signed letter agreement
Fund Operational and Compliance Procedures	Q2 2017 (or prior to Fund close)	Document
Detailed Valuation Policy	Q2 2017 (or prior to Fund close)	Valuation policy and templates

Deliverable	Target Date	Verifiable Indicator
Investor Reporting	Q2 2017 (or prior to Fund close)	Process document and examples reports
Regulatory Reporting	Q2 2017 (or prior to Fund close)	Example reports

Expected Result-TBCF.1.5 – Fund Management Functions Being Performed to Channel Investments and Report to Investors (SUBJECT TO FUND’S 1st CLOSE).

Activity 2.15 Prepare Investments for Approval by the Fund Investment Committee

These activities cover all on-going activities to manage the Fund. The investment approval process with the steps defined **Error! Reference source not found.** will be managed by the investment team. The approval process will be overseen by the CIO, and for the approvals required by the Investment Committee, these will be granted quarterly or more frequently as needed. Once projects have completed Stage 2 Investment Readiness assessment, the LOI will be prepared by the portfolio manager presenting the project, and approved by the Investment Committee. The LOIs will have the key economic terms and the detailed set of preconditions to move to a successful completion of an investment.

Projects that have completed LOIs will be moved to Stage 3 to perform the operation, financial, social and environmental due diligence. This will be supported by the experts within the investment team, Terra Global advisory team, and outside experts as needed.

Activity 2.16 Secure Complementary Financing Instruments

The Team will also work to secure complementary financing instruments. This includes grants and leveraged sources of funding that the project provides, as well as, whether other sources of funds (e.g. agricultural lines of credit, microfinance, green loans) and guarantees (e.g. DCA).

Activity 2.17 Manage Investment Portfolio

Projects that successfully completed the operational, financial, social and environmental due diligence, the preconditions of the LOI, and have been approved by the Investment Committee will have Transactional documents developed. The terms will be negotiated and contracts signed.

Each quarter the investment team will gather the input data, and update valuation models to complete the valuation of fund Investments. The other activities that support the on-going operations of the Fund include fiduciary and regulatory reporting, conducting quarterly meetings and preparing investor reporting.

An important component of the Fund management is overseeing the performance of investment projects. This entails having regular calls and visits with project partners (including regular field trips) as well as reviewing monitoring data provided under the terms of both the technical assistance facility (if the project is a recipient) and the investment transaction terms.

Most investments will have performance milestones, and these will all be monitored for progress and milestones payments will be made by the administrator to the project partners as specified in the transaction documents on instructions from the investment team. Projects needing additional support to meet milestones will be evaluated on an on-going basis and additional activities will be designed to support their on-going performance.

A significant component of the Fund's support includes building stronger market links that benefit both the Fund and the producers by increasing the value of products. The investment team will evaluate current routes to market, pricing and terms for both agricultural/NTFP products and emission reductions. Through evaluation of domestic buyers along the value chain and identification of international buying demand, the investment team will work with the producer's to structure improved pricing terms, open new supply chain buyers and structure long-term favorable purchases for the estimate project output. For emission reductions, the team will maximize access to voluntary markets (consumer and B2B) and invest in linking investment projects in Colombia's results-based payment programs to build demand.

Year 1 – Key Deliverables

Deliverable	Target Date	
LOIs executed with 1-2 Projects	Q1 and Q2 after Fund close	LOI documents
Due diligence underway for at least one project	Q1 and Q2 after Fund close	Due diligence documents
Fund's investment team is supporting the on-going investment decision making, portfolio management and reporting requirements	Upon Fund close	Investment process reports and documents

2.3 TBCF Component 2 - Terra Bella Fund Investments (TBCF-C2)

Once the Fund is closes, the Gestor will manage Fund operations according to the investment objectives, offering documents, terms of the cooperative agreement with USAID and Colombian regulation to make investments in smallholder agricultural, NTFP and climate change mitigation projects. The Gestor's investment plus an additional US\$5–10 million from other Limited Partner investors (making up the first close no later the December 2017), will be deployed to project investments by the Fund.

2.3.1 Expected Result-TBCF.2.1 – First investment commitments made from Fund for 1 -2 project (SUBJECT TO FUND'S 1st CLOSE)

Depending on the closing date of the Fund and the readiness of the projects in the Terra Bella Colombia Fund pipeline, this activity supports the actual investments being made in projects from the Fund.

Year 1 - Key Deliverables TBCF 2.1

Deliverable	Target Date
Investments in 1 -2 Projects completed at least to the LOI stage	2 quarters from the Fund close

CONFIDENTIAL

3 Cross Cutting Objectives

3.1 Gender Equality and Social Inclusion

3.1.1 Introduction and Purpose

The purpose of the strategy is to outline a Gender Equality and Social Inclusion (GESI) application throughout the Terra Bella Colombia Program. Terra recognizes that effective mainstreaming of gender equality and social inclusion is an essential and sound aid to project management. GESI is also a cross-cutting component for the Terra Bella Colombia fund, as Colombia is a highly socially diverse country. This strategy will help ensure the program applies GESI in every component and activity.

Terra aims to be gender responsive, ensuring that men, women, boys, and girls are able to participate in and benefit equally from the partnership's Technical Assistance Facility and the Terra Bella Colombia Fund, and that projects contribute to gender equality and address the practical and strategic needs of both male and female beneficiaries.

As a minimum, Terra will:

- Identify gender roles and issues relevant to the implementation of the partnership
- Collect written statements and/or organizational policies from recipients of funds on the gender and social inclusion practices for implementation and governance of projects
- Consider this information throughout the life of the Fund
- Collect sex disaggregated monitoring data (including from TA and investment entities)
- Facilitate meaningful participation of relevant stakeholders, including marginalized groups (e.g. women, Afro Colombians, indigenous persons, persons with disabilities, etc.)
- Ensure that a partnership is gender responsive, where this can be leveraged with the overall partnership objectives

3.1.2 Background and Context

When discussing gender, Terra Global not only refers to women, but also men, and adolescent boys and girls, regardless of their sexual preferences, race, religion or cultural beliefs. "Gender" denotes the social constructions of the roles and responsibilities ascribed to men and women and that govern the relationships between them. Gender influences the creation, use and distribution of power. Although women are typically the most marginalized due to lack of gender equality, the terms 'gender' and 'gender equality' imply concern for both men and women, and the relationships between them. However, specific attention to women's needs and contributions is necessary in order to address inequities that have historically disadvantaged women.

The targeted recipients for TA and Fund investments are smallholder groups engaged in production of crops and NTFP with links to reducing deforestation. Smallholders are loosely defined as holders of less than 100 hectares or larger areas under communal tenure schemes (territories of indigenous groups, territories of Afro-Colombians, and associative and/or joint property held by rural workers as cooperatives). Therefore, Terra will have firsthand contact with the stakeholders being able to determine women's and underrepresented people's participation in decision making, access to credit and land tenure. Using baseline data available

from these communities, Terra will be able to assess the actual situation and design improvements over the life of the program.

3.1.3 Inclusion Practices, Staffing and Training

Terra is woman-founded and managed small business, and while Terra is an equal opportunity employer, the current headquarters' staff is made up of 75% women. The Terra Bella Colombia Fund Team specifically is currently made up of 90% women. These figures are important to highlight as the roles filled by women at Terra are highly technical, ranging from agronomists and foresters to financial experts, and are roles that are traditionally filled by men. Additionally, female private equity Fund Managers are vastly underrepresented, only 11%, in the private equity industry globally. Terra's unique circumstance makes them leaders in understanding gender equality and challenges women face across all levels of employment.

Terra firmly believes that in order to provide equal employment and advancement opportunities to all individuals, employment decisions must be based on merit, qualifications, and abilities. As is defined in its Corporate Policies, Terra does not discriminate in employment opportunities or practices based on race, color, religion, sex, national origin, sexual orientation, age or disability.

All of Terra's Headquarter personnel, including long-term consultants and managing directors, receive training on corporate policies, specifically Codes of Conduct, Non-Discrimination and Harassment (including sexual harassment) on an annual basis. Recognition of training and the written acknowledgement of personnel's understanding and adherence is required annually.

With respect to the Terra Bella Colombia Fund, Terra does not plan to hire a dedicated gender specialist. However, it is considered a priority that all Terra staff comprehends the importance of the correct application of GESI across all company affairs, which includes any work under the Sub-award with USAID. The Terra Bella Colombia team will ensure application at the staff, consultant or implementation partner level.

Terra will always make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Terra Bella Colombia when signing sub-awards with implementing partners such as Fundación Natura, Fondo Acción, BioREDD implementer(s), Selva Tropico, will make our best effort to ensure that a GESI policy and strategy is implemented accordingly.

3.1.4 Key Stakeholders

Key stakeholders that will be engaged in the partnership are NGOs and other forms of implementing partners. As well, small-holder farmers and forest dependent peoples including Afro-Colombia and Indigenous communities will also be engaged.

3.1.5 Gender Policies and Legal Framework in Colombia

Colombian national policy endorses equitable access to credit for men and women, regardless of ethnical roots and religion. However, there remains cultural barriers which see women having greater difficulty acquiring formal loans or lines of credit. Terra views this as a unique

opportunity for itself and its implementing partners to work with communities and express the importance of a family crop, where mother, father, and adolescents all play a key role throughout harvest, processing and sale. This demonstrates that in the absence of gender and/or race distinctions small-holder farmers have the ability to produce a crop with a more sustainable business model. This partnership will seek to leverage Ley 731 (2002), for rural woman by supporting 1) access to finance (Chapter II), 2) participation of rural women in decision making bodies (Chapter 5),

With the recent announcement of the peace treaty, the Colombian Government has announced it will establish financial systems to stimulate agriculture, where they hope to facilitate farmers with access to finance and thus incentivize the communities to grow crops and in turn develop agricultural value chains which would fall directly within the Terra Bella Colombia scope of work. Terra will attempt to help mobilize these resources to work with the identified project communities in order to engage private sector investment to develop commercial agriculture and boost economic rural investment in this sector and attempt to orient gender and social inclusion in a roundabout way.

3.1.6 Integration by Component

Gender is integrated in the technical assistance component and the Fund component in both the planning and implementation.

Planning Process

In order to ensure the partnership is gender conscience, and ideally gender responsive, gender equality it must be incorporated into the day to day TA and Fund implementation and management of activities. The opportunity to incorporate gender into planning process will be most effective during the design phase of the Technical Assistance packages. During this process the following points will be considered in the design:

Contextual Analysis within the Investment Readiness and Due Diligence Assessments – One component of the Investment Readiness and Due Diligence Assessments will include identification of relevant gender roles, perceptions, interests, needs, priorities, and motivations of women, disabilities, LGBT, ethnicities, elderly/youth and other stakeholders. This will be carried out with information that is available on the project and in consultation with implementing partners.

Project Design in Technical Assistance Packages – The Technical Assistance projects (with their documented sub-awards) may include activities, outputs, and objectives that address relevant identified gender issues. These would likely include 1) ensuring the incorporation of all qualifying smallholders in the TA program, regardless of gender, 2) requirement to include woman in governance bodies of smallholder groups receiving TA, 3) special support to ensure that benefit-sharing is results-based and gender neutral. The design of the activities or objectives will not focus heavily on women or on achieving equality between women and men, but will take care to understand the gender context in which the project operates and make benefits from the project are as equitable as possible.

Targets - Where indicators identify numbers of beneficiaries, whether at activity, output, outcome, or impact level, these should be disaggregated by gender. Targets should be realistic and practical, and reflect the gender context identified in contextual analysis.

Budgets –Technical Assistance and Project Investment budgets will include adequate resources to cover measures that incorporate gender inclusion where part of the design. This may include costs such as separate training sessions, focus group discussions, and/or stakeholder interviews for women and men; increased data collection costs to capture views of all different stakeholders and allow for gender appropriate interviewers; and tailored communication products including testing, printing, recording, distribution, for different target audiences.

Implementing Partners –Where possible, the sub-awards will include partners who share Terra’s gender values and have the skills to implement a project in a gender sensitive manner.

Implementation

In addition to considering gender balance when selecting beneficiaries, partners, field staff, and governance committees, implementation under Technical Assistance and Investment Selection will identify and address gender specific barriers to participation through project activities (under technical assistance and investments) and in the design of the governance of the business/investee entities.

Project Activities – Including gender sensitivity in the planning process for the Technical Assistance packages provides a critical foundation for ensuring gender sensitivity in implementation. By building into the design components to provide equitable benefits and promote gender equality the partnership can ensure equitable participation of women and men, including in decision making and in the participation. For the Fund’s decisions regarding project investments, there is significant evidence that inclusive projects have lower risk. Thus, the gender participation will be included in the Due Diligence that the Fund will complete on any investment candidate and as relevant be included in defined use of investment proceeds.

Where the project activities seek to promote higher participation from woman, gender-specific barriers to participation should be identified, and project activities should be planned to facilitate the participation of marginalized groups. This could include measures such as holding a series of smaller local workshops rather than a centralized one requiring travel, providing childcare at project events, and planning activities at times that do not conflict with women’s other responsibilities. Implementation partners through their sub-awards who are leading technical assistance activities, will be encouraged to consider gender balance when inviting participants and when organizing logistics.

Business/Investment Entities Governance – The producer cooperatives and/or SMEs will be where the decisions are made are regarding participating in the partnership as well as the terms and conditions of the technical assistance and investment. These decision making and management bodies and recipients of funding should contain a representative mix of project stakeholders, including women, and measures should be taken to ensure that stakeholders from marginalized groups are able to participate fully.

3.1.7 Gender Monitoring & Evaluation

The M&E plan (still pending approval) includes the following disaggregates for by gender for:

- Number of farmers and others who have applied improved technologies or management practices with USG assistance

CONFIDENTIAL

3.2 Communications

The Terra Bella Colombia Fund branding and marking strategy will follow all communication and branding guidelines established in the Cooperative Agreement No. AID-514-A-16-00003 and based on USAID ADS 320.3.3 and 2 CFR 700.16 branding and marking requirements for assistance awards

The Terra team will coordinate with USAID/Colombia's Outreach and Communications (DOC) specialist and the PPP Alliance Builder on the launch event. The Terra team will also conduct outreach at least quarterly providing partnerships accomplishments and lessons learned.

3.2.1 Branding Strategy

Positioning

The overall partnership will be referred to as the Terra Bella Colombia Program. In Spanish Programa de Terra Bella Colombia. A specific program logo will not be developed.

Program Communications and Publicity

Primary and Secondary Audiences

There will be multiple audiences targeted by the Terra Bella Colombia Program.

These include:

Primary audience

- Investors in Colombia, who could commit additional capital in the future to the Terra Bella Colombia Fund or the sector more generally.
- Cooperatives involved in smallholder production in crops that are limited to reducing deforestation (coffee, cacao, acai, peach palm)

Secondary audience

- Colombian NGOs, CSOs, government ministries, industry groups, International impact investors and donors
- International impact investors and donors

Communications or Program Materials

The Communication Plan for Terra Bella Colombia Activity, under Terra's responsibility, will identify program objectives, activities, results and lessons learned on an on-going basis to feed communication activities led by USAID as well as those initiated by Terra.

The initial web presence for the TA facility has been completed and is on webpages on the terraglobalcapital.com url. The web presence will be expanded in Year 2 in two phases:

Phase	Web Presence	Features	Date
1	On terraglobalcapital.com	Dedicated section for Terra Bella Colombia with multiple pages to support all the TA work and Fund achievements (as appropriate)	Q2 2017

Phase 2	Terra Bella Funds dedicated website (English and Spanish)	Dedicated url with multiple pages to support all the TA work and Fund achievements	Q2 2017 (subject to first close)
---------	---	--	----------------------------------

The program will use a variety of media and materials to market the program to beneficiaries, including, but not limited to, the following:

Web-based platforms: Information will be posted on web-based platforms. The consortium will coordinate with existing interactive web-based communities (including USAID’s) to promote investors in the Fund, provide process and promote projects applying to technical assistance and Fund investments and to document the program’s progress.

Facebook and Twitter: These tools will be used for general awareness raising, maximizing audiences reached and rapid dissemination of information.

Printed materials: For targeted audiences that do not yet have access to the Internet or by custom do not use the Web as a regular information source, the program will publish and disseminate printed materials designed for these audiences, including pilot project profiles, fact sheets, pamphlets and posters.

Slide shows: Digital presentations (i.e., PowerPoint) will be frequently updated with new statistics, results, news and photos, so project staff can tailor and use them for meetings and conferences.

Videos: Where possible the program will create short videos to tell success stories and communicate the impact the partnership is having on communities.

Main Program Messages

Below are the key program messages used to communicates the focus of the Program. These will evolve over time to reflect the program achievements and lessons learned.

- The program catalyzes new sources of private finance to promote smallholder agriculture linked to climate change mitigation in Colombia, delivering growth opportunities for rural communities
- This innovative first-of-its-kind fund, formed as a local Colombian registered “Fondo de Capital Privado”, is designed to simultaneously deliver financial, social and environmental returns to investors
- The Technical Assistance Facility operates alongside the fund to “bridge the gap” that smallholder’s face in accessing finance and strengthen their business management capacity
- USAID in its partnership with the fund manager, provides valuable risk mitigation and integration with key development programs throughout the country led by public and private sector

Press and Promotional Activities

In conjunction with USAID/Colombia Bogota, Terra Global plans to host a launch event when it has received its first hard commitment from an investor in the Fund (subject to USAID’s

schedule). The launch event will gather local media outlets, print and television, for an official announcement of the Program. Representatives from Terra Global as well as the Mission will present the program and use the opportunity to tell the story of the Terra Bella Colombia Fund to Colombian citizens. It is anticipated that the launch event will initiate numerous news articles which will further disseminate the Program's story.

The partnership established with USAID is integral to the Terra Bella Colombia Fund. Where appropriate, Terra plans to highlight this partnership, and the generosity of the people of the United States.

Acknowledgements

While there may be opportunities for the direct involvement from a host country government ministry with projects also supported under the partnership, there is no direct government facing activities.

CONFIDENTIAL

3.2.2 Marking Plan

The public communications, commodities, and program materials that will be produced under this partnership are detailed below. To the greatest extent possible, we have included all publications, supplies, equipment and/or deliverables to be produced under the program. As the program matures, there may be revisions to this Marking Plan.

Supplies and Equipment

Below is a listing of Supplies and Equipment to be used in a visible manner in the fulfillment of the goals of Terra Bella Colombia Fund and an indication of how and where they will be tagged with the USAID identity. It is not foreseen that more equipment be necessary for the fulfillment of the program.

Supply/Equipment	Type of Marking	Where Marking Placed
Computers	USAID Identifying vinyl label	On front of monitor
Printers	USAID Identifying vinyl label	On top of printer

Marking Deliverables

Below is a Table of Deliverables that are expected to be produced in the context of this program that will be co-branded and marked in a visible manner with the USAID identity. It also indicates what type of marking will be used and where on the deliverable the USAID identity will be placed.

Deliverable	Type of Marking	Where Marking Placed
Reports	Co-branding with the USAID printed identity	Front cover
Publications (brochures)	Co-branding with the USAID printed identity	Back cover
Dedicated website (pages related to Technical Assistance Facility)	Co-branding with the USAID web identity	Front page, partners section
Slide shows	Co-branding with the USAID printed identity	Cover page
Videos	Co-branding with the USAID digital identity	Acknowledgement section

Workshops	Co-branding with the USAID printed identity	Banner
-----------	---	--------

Technical Assistance Facility

For the work produced under the technical assistance facility, the USAID identity as well as Terra’s identity will be used. USAID and the partnership will co-brand or acknowledge in its deliverables and communication products those identities of implementing partners and additional nontraditional partners (i.e., private sector entities, international organizations, foundations, individuals, etc.) based upon direct financial, in-kind or leverage support provided. The USAID logo will appear on all printed documents.

Terra Bella Colombia Fund

Pursuant to 2 CFR 700.16 (h) (1) (i) Compromise the intrinsic independence or neutrality of a program or materials , Terra Global Capital requests an exception to marking requirements for Terra Bella Fund investor facing materials. The branding of these items is impractical and unsuited for individual USAID marking because investors could perceive that the Fund’s investment decisions cannot be made independently based on the Fund’s governance structure and offering documents. Terra Bella Fund investor facing materials will be branded with Terra Global Investment Management. However, where relevant, these materials will include a written description of USAID’s support for the Fund.

Sub-awards

As specified in the standard provisions, the marking requirements will “flow down” to sub-recipients or sub-awards, and will include the USAID-approved marking provision in all USAID funded sub-awards, as follows: “As a condition of receipt of this sub-award, marking with USAID identity of a size and prominence equivalent to or greater that the recipient’s, sub-recipient’s, other donor’s or third party’s is required.”

Public Communications

Any “public communications,” as defined in 2 CFR 700.1 (j), funded by USAID, in which the content has been approved by USAID, will contain the following disclaimer:

“This study/report/audio-visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert recipient’s name] and do not necessarily reflect the views of USAID or the United States Government.”

As specified in the standard provisions, Terra Global will provide the Agreement Officer’s Representative (AOR) or other USAID personnel designated in the cooperative agreement with two copies of all program and communications materials produced under the award. In addition, Terra Global will submit one electronic or one hard copy of all final documents to USAID’s Development Experience Clearinghouse.

4 Operations and Management

4.1 Staffing

The core technical team has been staffed completely.

4.1.1 Technical Team

Key Personnel

Leslie Durschinger	Chief Investment Officer/Partnership Director
Nicole Rossell	Senior Portfolio Manager
Terry Vogt	Senior Fund Advisor

Other Technical Staff

Sierra Chappell	Sub-awards and Finance Manager/Deputy Partnership Director
Diana Toscano	Colombian Rural Development Specialist
Rigoberto Merino	Local Smallholder Agricultural Markets and Finance Specialist (he will be replaced in January with someone with more smallholder agriculture experience)

4.2 Monitoring and Evaluation

The comments on the M&E plan were received on November 7, 2016 and the revised plan will be submitted in early December. Once approved, the indicators and targets will be added to the Year 2 workplan.

4.3 Reporting

The following reporting will be conducted per the terms of the cooperative agreement.

Work Plan #	
A.1	Provide Quarterly Financial projections (as requested)
A.2	Provide monthly billing to USAID and track budget versus actual spending
A.3	Manage spending versus obligated - request increase 60 days prior to needing increase
A.4	Quarterly Program Reporting - 30 days after Qtr end
A.5	Quarterly 2 CFR 200.327 Financial reporting - 30 days after Quarter end
A.6	Quarterly Mission-wide Monitoring Management Information System (MIS) - 20 days after Quarter end
A.7	Target Quarterly Outreach and Communications actions (and sharing lessons learned)
A.8	Secure environmental compliance - prior to initiation of each TA sub award, through MONITOR
A.9	Secure environmental compliance - prior to initiation of each investment through MONITOR
A.10	Submissions to the Development Experience Clearinghouse (DEC) and a list of not submitted to AOR
A.11	Submissions to the DDL and provide to the AOR an itemized list of any and all DDL submissions (30 days after creation)

5 Budgets (including pre and post Fund close allocations)

The following tables are summaries of the USAID budget by standard cost accounting categories and summary estimates allocated to each Program Component. The Year 1 summary results of budget versus actuals is provided in

In addition, to provide clarity on the USAID program budget that will be used prior to the Fund reaching its first close, the original budget was divided into pre and post costs.

Table 4. Program Budget and Year 1 Budget versus Actuals by Component

ACTIVITY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
TECHNICAL ASSISTANCE FACILITY (TA)						
TA - Investment Readiness Technical Assistance Grant for Small Holder Ag and CC Project Investment Candidates	\$393,784	\$323,971	\$144,484	\$9,230	\$0	\$871,470
TOTAL TECHNICAL ASSISTANCE FACILITY (TA)	\$393,784	\$323,971	\$144,484	\$9,230	\$0	\$871,470
TERRA BELLA COLOMBIA FUND (TBCF)						
Terra Bella Fund Component 1 - Fund Management and Administration	\$259,584	\$458,453	\$455,518	\$453,628	\$470,922	\$2,098,105
Terra Bella Fund Component 2 - Fund Investments	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000
TOTAL TERRA BELLA COLOMBIA FUND (TBCF)	\$259,584	\$3,458,453	\$455,518	\$453,628	\$470,922	\$5,098,105
TOTAL PROGRAM USAID FUNDED	\$653,369	\$3,782,423	\$600,002	\$462,858	\$470,922	\$5,969,575
Leverage	\$347,459	\$5,490,329	\$368,923	\$299,279	\$303,442	\$6,809,433
% Leverage on GDA						114%
TOTAL WITH LEVERAGE	\$1,000,828	\$9,272,753	\$968,925	\$762,137	\$774,364	\$12,779,008
Estimated Year 1 Actuals	\$310,000					
Unused Budget in Year 1	\$343,369					
Estimated Leverage in Year 1	145%					

Table 5. Budget by Component Allocated by Pre and Post Fund Close

BUDGET SUMMARY	Pre-Close Component of Budget			Post Close Component of Budget		
ACTIVITY	YEAR 1 (Budget)	YEAR 2	YEAR 3	YEAR 1	YEAR 2	YEAR 3
TECHNICAL ASSISTANCE FACILITY (TA)						
TA - Investment Readiness Technical Assistance Grant for Small Holder Ag and CC Project Investment Candidates	\$113,685	\$65,210	\$0	\$280,099	\$258,760	\$144,484
TOTAL TECHNICAL ASSISTANCE FACILITY (TA)	\$113,685	\$65,210	\$0	\$280,099	\$258,760	\$144,484
TERRA BELLA COLOMBIA FUND (TBCF)						
Terra Bella Fund Component 1 - Fund Management and Administration	\$201,064	\$323,961	\$0	\$58,520	\$134,491	\$455,518
Terra Bella Fund Component 2 - Fund Investments	\$0	\$0	\$0	\$0	\$3,000,000	\$0
TOTAL TERRA BELLA COLOMBIA FUND (TBCF)	\$201,064	\$323,961	\$0	\$58,520	\$3,134,491	\$455,518
TOTAL PROGRAM USAID FUNDED	\$314,749	\$389,172	\$0	\$338,619	\$3,393,252	\$600,002
Leverage						
% Leverage on GDA						
TOTAL WITH LEVERAGE						

Estimated Year 1 Actuals	\$310,000
Unused USAID Budget in Year 1	\$343,369
Estimated Year 1 Leverage	145%

6 Year 2 - Implementation Schedule

The following provides the implementation plan for Year 2 with each of the Activities and sub-activities required to produce the Expected Results. It also details which activities will be implemented BEFORE to the close of the Fund (BC) and which will AFTER the close of the Fund (AC).

#	Activity/Sub Activity	Before Close (BC)/Post Close (AC)	Status (Nov 30, 2016)	Year 2												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
TECHNICAL ASSISTANCE FACILITY (TA)																
TA	TA - Investment Readiness Technical Assistance Grant for Small Holder Ag and CC Project Investment Candidates															
	Expected Result-TA.1 – Established procedures and outreach processes for screening projects to receive investment readiness technical support grants															
1.1	Create investment readiness and gap evaluation framework for TA selection process															
1.1.5	Pilot on project to assess, develop report, and get budget from project (for use in	BC	In Progress													
1.2	Expand Terra website (English and Spanish) to provide procedures, processes and timeline for applying for TA															
1.2.2	Phase 1 - Fund pages on TGC URL	BC	In Progress													
1.2.5	Phase 2 - Develop Dedicated Terra Bella Fund website	AC	Not Started													
1.2.5	Phase 2 - Content for new terrabellafunds.com	AC	Not Started													
1.2.6	Translation of TGC site	AC	Not Started													
1.3	Conduct outreach to potential projects to submit expressions of interest for TA linked to Fund															
1.3.1	Visit BIOREDD Projects (that are eligible for Stage 2) for introductory presentation	BC	In Progress													
1.3.2	Visit other projects that have passed Stage 1	BC	Not Started													
	Expected Result-TA.2 – Conducted outreach to projects to receive technical assistance and Fund Investment															
1.4	Screen TA project applications, identify grant recipients and implementation partners															
1.4.1	Create on-going list of project prospects, maintain with new prospects requiring screening	BC	In Progress													

#	Activity/Sub Activity	Before Close (BC)/Post Close (AC)	Status (Nov 30, 2016)	Year 2												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1.4.2	Contact, screen and maintain lists of project that should enter the pipeline	BC	In Progress													
1.4.3	Enter Projects in Salesforce that are in the pipeline for consideration (passed step #1)	BC	In Progress													
1.5	Document investment readiness TA support packages and draft agreements for selected projects, with defined requirements for Fund investment	BC	Not Started													
1.6	Define reporting metrics and indicators tailored for each project	BC	Not Started													
	Expected Result-TA.3 – Deliver technical assistance packages, execute sub-awards and begin implementation of TA for 1-2 projects															
1.7	Make TA Investment Readiness Assessments Grants for Potential Investment Projects															
1.7.1	Subcontract implementation partners for TA Delivery	AC	Not Started													
1.7.2	Deliver TA Packages needed to secure fund investment	AC	Not Started													
1.8	Manage Investment Readiness TA grants															
1.8.1	Quarterly training/capacity building workshops to all selected projects	AC	Not Started													
1.8.2	Prepare Monitoring results and provide on-going support per TA awards	AC	Not Started													
1.8.3	Review performance metrics of TA projects	AC	Not Started													
1.8.4	Execute LOI between project and Fund, for those meeting und LOI requirements	AC	Not Started													
1.9	Best practices Workshop to all TA Contract participants	AC	Not Started													
TERRA BELLA COLOMBIA FUND (TBCF)																
TBCF 1	Terra Bella Fund Component 1 - Fund Management and Administration															
	Expected Result-TBCF.1.1 – Incorporate and operationalize the Terra Global local entity															
2.4	Setup financial, procedural and administrative systems to manage entity	BC	In Progress													
2.7	Perform audit on 2015 financials for Terra entities	BC	In Progress													
	Expected Result-TBCF.1.2 – Secure a minimum additional \$6 million in investment capital to complete first close the Fund															

#	Activity/Sub Activity	Before Close (BC)/Post Close (AC)	Status (Nov 30, 2016)	Year 2											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2.8	Capital Raise for 1st Close of Fund														
2.8.2	On-going enhancement of Investor Marketing Materials for the Fund	BC	On-Going												
2.8.3	Complete Due Diligence with FINAGRO for \$3 - \$5 million investment	BC	Rescheduled												
2.8.4	Source new 15 - 20 Fund investor prospects	BC	On-Going												
2.8.5	Continue discussions with CAF for potential investments (2nd Close)	BC	Rescheduled												
2.8.6	Continue discussions with Fondo Acción for investment	BC	In Progress												
2.8.7	Enter into DD process with new investment prospects	BC	On-Going												
2.8.8	Manage due diligence process with investor prospects	BC	In Progress												
2.8.9	Secure "soft circles"/letters of intent with Investors														
2.8.10	Secure letters of commitment for Fund Investments	BC	In Progress												
2.8.11	Negotiate and sign final subscriptions documents with first close investors	BC	In Progress												
	Expected Result-TBCF.1.3 – Terra Bella Fund formation complete and registered with the Superintendencia														
2.10	Review Reglamento with Administrator and Submit to Superintendencia	BC	In Progress												
2.11	Revise Reglamento for Superintendencia and Investors	BC	Not Started												
2.12	Obtain approval of the Superintendencia	BC	Not Started												
	Expected Result-TBCF.1.4 – Fund investment management tools, financial models and operational processes established														
2.13	Hire fund administrator and complete contract														
2.13.3	Complete DD and sign contract	BC	In Progress												
2.14	Establish Fund Investment Processes and Policies														
2.14.1	Finalized Investment Committee Members														
2.14.3	Enhance and localize due diligence process and templates	BC	In Progress												
2.14.4	Develop valuation models for all investments	BC	In Progress												
2.14.5	Validate valuation models for local and project specific conditions	BC	In Progress												

#	Activity/Sub Activity	Before Close (BC)/Post Close (AC)	Status (Nov 30, 2016)	Year 2												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2.14.6	Establish operational and compliance management of fund investments, contracts and cash flow management processes for Fund	BC	In Progress													
2.14.7	Structure Investment transaction documentation templates	BC	In Progress													
2.14.8	Develop Fund valuation policy	BC	Not Started													
2.14.9	Develop the fund fiduciary requirements and regulatory reporting	BC	Not Started													
2.14.10	Design investor reporting	BC	Not Started													
	Expected Result-TBCF.1.5 – Fund Management Functions Being Performed to Channel Investments and Report to Investors															
2.15	Prepare Investments for Approval by the Fund Investment Committee															
2.15.1	Manage Investment Approval Process	AC	Not Started													
2.15.2	Document Social and Environmental benefits from investments	AC	Not Started													
2.15.3	Prepare Investment LOIs	AC	Not Started													
2.15.4	Prepare Transactional documents	AC	Not Started													
2.15.5	Financial due diligence on investments	AC	Not Started													
2.15.6	Social and environmental due diligence on Investments	AC	Not Started													
2.16	Secure complementary financing instruments	AC	Not Started													
2.17	Manage Investment Portfolio															
2.17.1	Valuation of fund Investments	AC	Not Started													
2.17.2	Manage fund fiduciary requirements and regulatory reporting	AC	Not Started													
2.17.3	Quarterly meetings and investor reporting	AC	Not Started													
2.17.4	Oversee performance of investment projects, provide investment projects on-going management support as needed	AC	Not Started													
2.17.5	Build Market Links for Products and Emission Reductions	AC	Not Started													
TBCF 1	Terra Bella Fund Component 2 - Fund Investments															
	ER 3. 1 - Complete Investments 1-2 projects in Yr. 1 for investments															
2.18	Investment in Project 1 - Equity, Loan, ERPA in PA, and/or other investments	AC														
2.19	Investment in Project 2 - Equity, Loan, ERPA in PA, and/or other	AC														

#	Activity/Sub Activity	Before Close (BC)/Post Close (AC)	Status (Nov 30, 2016)	Year 2												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
	investments															
2.20	Investment in Project 3 - Equity, Loan, ERPA in PA, and/or other investments	AC														
2.21	Investment in Project 4 - Equity, Loan, ERPA in PA, and/or other investments	AC														
2.22	Investment in Project 5 - Equity, Loan, ERPA in PA, and/or other investments	AC														
2.23	Investment in Project 6 - Equity, Loan, ERPA in PA, and/or other investments	AC														
USAID RFA Requirements and Engagement																
Cooperative Agreement Startup Requirements																
SU.1	Finalize Implementation Workplan - 60 days - Feb 23rd	BC	Completed													
SU.2	Create USAID contact listing	BC	Completed													
SU.3	Develop Gender & Social Inclusion Strategy - 60 days - Feb 23rd	BC	Completed													
SU.4	Create M&E plan for TA and TBCF reporting - 90 days Mar 23rd	BC	In Progress													
SU.5	Develop marking and branding plan and policy	BC	Completed													
SU.6	Get tax exemption letter from USAID	BC	Completed													
SU.7	Training on environmental compliance (as needed when 1st TA grant is provided)	BC	In Progress													
SU.8	Develop sub award manual	BC	In Progress													
SU.9	Training on DDL and DEC submission requirements	BC	On-Going													
SU.10	"Launch" event in coordination with USAID	BC	On-Going													
SU.11	Intellectual property and confidentiality procedures	BC	Completed													
SU.12	Sign up for USAID's Implementing Partner Notices (IPN) Portal for Assistance awards	BC	Completed													
A.1	Provide Quarterly Financial projections (as requested)	Both	On-Going													
A.2	Provide monthly billing to USAID and track budget versus actual spending	Both	On-Going													

#	Activity/Sub Activity	Before Close (BC)/Post Close (AC)	Status (Nov 30, 2016)	Year 2												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
A.3	Manage spending versus obligated - request increase 60 days prior to needing increase	Both	On-Going													
A.4	Quarterly Program Reporting - 30 days after Qtr. end	Both	On-Going													
A.5	Quarterly 2 CFR 200.327 Financial reporting - 30 days after Qtr. end	Both	On-Going													
A.6	Quarterly Mission-wide Monitoring Management Information System (MIS) - 20 days after Qtr. end	Both	Not Started													
A.7	Target Quarterly Outreach and Communications actions (and sharing lessons learned)	Both	On-Going													
A.8	Secure environmental compliance - prior to initiation of each TA sub award, through MONITOR	AC	Not Started													
A.9	Secure environmental compliance - prior to initiation of each investment through MONITOR	AC	Not Started													
A.10	Submissions to the Development Experience Clearinghouse (DEC) and a list of not submitted to AOR	Both	On-Going													
A.11	Submissions to the DDL and provide to the AOR an itemized list of any and all DDL submissions (30 days after creation)	Both	On-Going													

CONFIDENTIAL

7 Annex A – Terra Bella Colombia Fund Prospect List¹

Account Name	Investor Type	Capital Raising Status
Colfondos	Pension Fund	In DD
Fondo Accion - Colombia	Foundation / Endowment	In DD
Old Mutual	Pension Fund	Active Discussions
Fondo Colombia Sostenible	Government	Active Discussions
Inter-American Development Bank	Development Bank	Interested
Foundation Pontifica Universidad Javeriana Bogota	Foundation / Endowment	Interested
New York Community Trust	Foundation / Endowment	Interested
Fundación Davivienda	Private Bank	Interested
Fundación Argos	Foundation / Endowment	Early-stage
BHP Foundation	Foundation / Endowment	Early-stage
Fundacion Santo Domingo	Foundation / Endowment	Early-stage
Casa Luker	Ag Supply Chain	Early-stage
Luxembourg Microfinance and Dev Fund	Government	Early-stage
World Bank - Env and NR	Development Bank	Early-stage
Citibank (Private Banking)	Investment Bank	Early-stage
Suecia Embassy	Other	Early-stage
Colombia Responde	Ag Supply Chain	Early-stage
IFC- Colombia	Development Bank	Early-stage
Packard Foundation - PRI	Foundation / Endowment	Early-stage
J.P. Morgan (Sustainability)	Investment Bank	Early-stage
Prudential Global Investment Management	Investment Bank	Early-stage
Scotiabank	Private Bank	Early-stage
APC	Introducer	Early-stage
Nestle	Other	Early-stage
Fundacion Corona	Foundation / Endowment	Early-stage
BGT Pactual	Investment Bank	Early-stage
Accionista de Fiduciaria Colmena	Other	Early-stage
Bosque Risaralda	Ag Supply Chain	Make First Contact
FINAGRO	Private Bank	2nd Close Candidate
CAF Development Bank of Latin America (CAF)	Development Bank	2nd Close Candidate
Proteccion	Pension Fund	2nd Close Candidate
OLAM Colombia	Ag Supply Chain	Supply Chain Partner
Fundacion Nutresa	Ag Supply Chain	Supply Chain Partner
Banco de la República	Ag Supply Chain	Supply Chain Partner
Alqueria	Corporation	Supply Chain Partner
Red Cacaotera	Ag Supply Chain	Supply Chain Partner

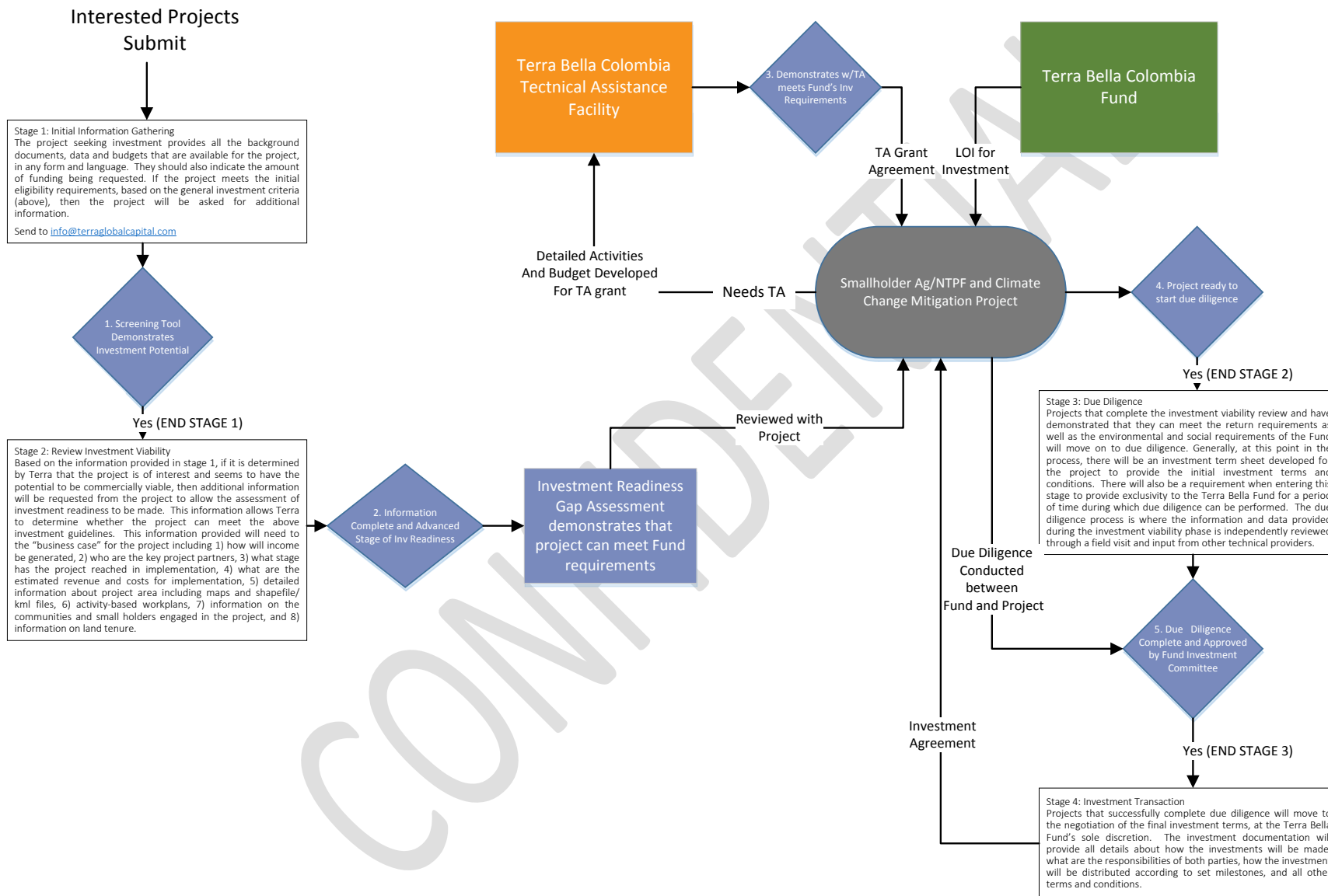
¹ As of Nov 30, 2016

8 Annex B - Investment Readiness Criteria, Activities for TA Facility Sub-awards and Indicators of Investment Readiness

Investment Readiness Criteria	Activities for TA Grants	Investment Readiness Results
1. Community/Small Holder Engagement Conducted	<ul style="list-style-type: none"> • Support for convening and creating formalized associations/cooperatives to represent smallholders (aggregation entity) • Baseline studies of small holder income and key indicators of livelihoods • Identification of leaders within the smallholder groups/communities to mobilize smallholders 	<ul style="list-style-type: none"> • Participating communities are identified • Communities are organized around common project objectives and committed to project • Community organizational and governance structure is being formed to support aggregation
2. Land Tenure Rights Secured	<ul style="list-style-type: none"> • Support to formalization of land tenure or develop required documentation to demonstrate tenure or land concession • Agreements in place to demonstrate “right-of-use” and sale over emission reduction • Support for engaging government (as needed) in agreements toward securing emission reductions • Transfer of emission rights to Projects Investment entity 	<ul style="list-style-type: none"> • Tenure is known and can supported by legal frameworks • Participating smallholders can demonstrate tenure on productive areas • If REDD+ areas are different the productive, tenure can be demonstrated
3. Project Partner Capacity for Management and Investment Entity Exists	<ul style="list-style-type: none"> • Training and staffing support for small holders who will manage the aggregation entity to build managerial and fiscal capacity to manage the entity who will operate projects and engage in investments • Creation of a legal entity to act as recipient of investments (may be same as aggregation entity) • Funding for physical office and modest infrastructure for communications and office management functions • Legal agreements between smallholders and aggregation entity • Legal agreements between aggregation and other implementation partners • Support to obtain any required government agreements/approvals to support proposed business • Legal and technical support to negotiate terms of investment transaction with Terra Bella Colombia Fund 	<ul style="list-style-type: none"> • Implementing partners have been operating/supporting project and can demonstrate capacity • It is clear which entity is authorized to represent the project in discussions with investors • Investable legal entity formed with legal agreements with smallholders
4. Agricultural/NTFP Production and Value Chain Potential Quantified	<ul style="list-style-type: none"> • Technical assessments of current (baseline) and potential production with smallholders • Assessment of processing and transportation requirements for target high value crops • Identification of partners required along value chain to promote productive activities • Documents of current economics to small holders and competitive positioning • Other value chain assessments, as needed • Foundational investments in scaling 	<ul style="list-style-type: none"> • Some crops, NTFP and/or timber currently being produced • Future production and value chain can demonstrate growth potential • Crops are certifiable under a recognized standard

Investment Readiness Criteria	Activities for TA Grants	Investment Readiness Results
	production and/or supply chain bottlenecks (subject to available funds)	
5. Emission Reduction Potential Quantified	<ul style="list-style-type: none"> Emission reduction feasibility assessments Initial costs of developing emission reductions 	<ul style="list-style-type: none"> Project activities are tied to mitigation benefits Demonstrates feasibility of emission reduction potential
6. Project Plan that Aligns Livelihoods Improvements, Ag/NTFP Production and Climate Mitigation Created	<ul style="list-style-type: none"> Technical support for developing detailed activity-based implementation plans Development of monitoring plan to evaluate results Identification of implementation partners 	<ul style="list-style-type: none"> MultiYear implementation plan identifies, activities, implementers, stakeholders and expected results Implementation plan clearly demonstrates how the design of the project impacts smallholders, produces climate change mitigation, and supports fiscal, managerial and benefits management
7. Financial Projections Over Project Life	<ul style="list-style-type: none"> Technical assistance for financial model development by the project Support to determine the amount of funding required from investing and uses of funds Assessments of impact to smallholders acquiring investments from Terra Bella Colombia Fund 	<ul style="list-style-type: none"> Tied to implementation plans, detailed financial projections are developed Funding needs, sources/uses of funds, investment returns known
8. Benefits Sharing and Funds Management	<ul style="list-style-type: none"> Development of the benefit sharing plans for the project participants Designing arrangement for fiscal accountability and cash flow management of grants and investment funds within the investment entity Support to engage with the government in participation of Colombia's REDD+ program in departments of Colombia developing REDD+ 	<ul style="list-style-type: none"> Benefits and required commitments explicit in investment entity and smallholder aggregation structure Transparent and auditable funds management is adopted

9 Annex C – Project Evaluation Process



10 Annex D – Investment Readiness Assessment (Stage 2)

Terra Bella Colombia - Stage 2 Gap Assessment Framework



IRC	N°	Requirements	Supporting Doc	References
General Information				
	G.1	Project Location (Departments and Municipalities)		
	G.2	Names of Smallholder /Community Groups (SHCG)		
	G.3	Primary Crop/NTPF		
	G.4	Forest Tenure Type		
1. Community/Small Holder Engagement Conducted and Governance Functioning				
	1.1	List of communities by administrative/governance units/entities		
	1.2	Evaluation of bylaws and formation documents demonstrates 1) land/forest tenure, 2) NRM use rights, 3) explicit governance process, 4) crop tenure and 5) carbon tenure		
	1.3	Organization chart has been developed to document institutional and contractual arrangements between SHCGs and implementing partners		
	1.4	Documents detailing governance policy/processes of SHCG developed including names and contact names of officers and members		
	1.5	Evidence/reports of governance meetings, decisions, elections exist and demonstrate consistency with governance policies and bylaws		
	1.6	Are there members of the community in the project area that have land tenure but are not currently part of the formal governance process or formal not members of the SHCG		
	1.7	List of SHCG meta data (see attached as example, but can be customized to each specific project)		
	1.8	List of project participants at the lowest level administrative (person, household, village, etc.), that are recognized (are members of) the SHCG		
	1.9	Is there a written policy and evidence of adherence of inclusion of woman and other marginalized groups in both SHCG membership and governance		
	1.10	GIS locations for each SHCG and points for each settlement, roads and map of areas		
	1.11	Have the SHCG expressed interest in receiving funding for scaling their project, who when and did they have a clear idea of what they want to fund and what it means to receive TA and reimbursable funds, who else are they talking to		
2. Land Tenure Rights Secured				
	2.1	What tenure laws support the SHCG tenure on the project area. If they do not have tenure over the forest area, what laws		

IRC	N°	Requirements	Supporting Doc	References
		support tenure over forest		
	2.2	What formally recognized documents are needed to demonstrate tenure, do we have copies		
	2.3	Is there any formal report/assessment of the tenure of the SHCG and they rights to natural resources developed		
	2.4	How do the tenure laws support crop and carbon tenure claims of the SHCG		
3. Project Partner Capacity for Management and Implementation of Activities that Generate Returns				
	3.1	Who besides the SHCG are supporting the implementation of activities needed to generate a return for the fund, get list of organization(s) and call people within and what each one supports		
	3.2	Copies of contractual agreements between the SHCG and the implementing partners for scope of work that supports project (identify links to the project implementation plan and budget under Criteria 6		
	3.3	Do implementation plans and timelines exist for activities of all partners and the project overall (see criteria 6) and is it clear how these planned activities will support the Fund's investment		
	3.4	Get the funding sources that support the implementation support by each partner and any future expected funding		
	3.5	Write a summary on the operational track record of the SHCG and all implementing partners for activities relevant project's return drivers		
	3.6	Is there overlap in activities supported by partners and those the Fund will support that need to be clarified for future engagement		
4. Agricultural/NTFP Production and Value Chain Potential Quantified				
4.1 Production and Harvesting - Current and Enhanced				
	4.1.1	What is the size and location of the current Primary Crop/NTPF production		
	4.1.2	Are the current growing conditions, varieties, yields per hectare, total yields, number/which people within the SHGC are currently producing documented and what is the source and reliability of that information		
	4.1.3	Have any historical production records been provided, can these be substantiated by a 3rd party		
	4.1.4	What opportunities in production improvements have been identified, have they been driven by/adopted by the SHCG		
	4.1.5	Is there an implementation plan and target production metrics associated with these production improvements, what is the source of these estimates		
	4.1.6	Has there been a biophysical assessment of the feasibility of the proposed production improvements, what does it show about targeted production		
	4.1.7	What NEW inputs/TA/Equipment are required to meet the targeted production improvements, has the ability of source these and the cost been documented		
	4.1.8	Describe the current harvesting processes and what are the barriers to improve harvesting techniques		
	4.1.9	What opportunities are there to improve harvesting techniques, what are the metrics for the increased quantity and/or quality that will be achieved		
	4.1.10	Is there an implementation plan and target metrics associated with these harvest improvements, what is the source of these estimates		
	4.1.11	What NEW inputs/TA/Equipment are required to meet the targeted harvesting improvements, has the ability of source these and the cost been documented		
	4.1.12	What are the risks of adoption of proposed new production and harvesting improvements, have these been experienced in the		

IRC	N°	Requirements	Supporting Doc	References
		past or are only anticipated		
	4.1.13	Map actors in production and harvesting currently supporting products brought to market, note how this will change (if at all in future)		
4.2 Producer Processing and Logistics				
	4.2.1	What processing if any is done by the SHCG		
	4.2.2	Describe the current SHCG processing practices, who does them, how they are done and what opportunities there are to improve them		
	4.2.3	What opportunities are there to improve SHCG process, what are the metrics for the increased quantity and/or quality that will be achieved		
	4.2.4	Is there an implementation plan and target metrics associated with these processing improvements, what is the source of these estimates		
	4.2.5	What NEW inputs/TA/Equipment are required to meet the targeted processing improvements, has the ability of source these and the cost been documented		
	4.2.6	How are crops delivered to buyers now		
	4.2.7	What opportunities are there to improve SHCG process, what are the metrics for the increased quantity and/or quality that will be achieved		
	4.2.8	Is there an implementation plan and target metrics associated with these processing improvements, what is the source of these estimates		
	4.2.9	What NEW inputs are required to meet the targeted processing improvements, has the ability of source these and the cost been documented		
	4.2.10	Map actors in processing currently supporting products brought to market, note how this will change (if at all in future)		
4.3 Marketing and Certification				
	4.3.1	What certifications do the crops currently have or are in process, have there been any in the past that have lapsed		
	4.3.2	What awards have the products received, for what in what Years		
	4.3.3	What opportunities are there for certifications that can increase product value		
	4.3.4	Is there a plan and cost estimate for adding verifications, are these underway, and if so by whom		
	4.3.5	Who have been the historical buyers of the products delivered by the SHCG and are there sales records including terms and pricing, how much of the production has each buyer purchased		
	4.3.6	Are the prices of past sales known in relation to a global / domestic benchmark price		
	4.3.7	Which end markets have these products fed		
	4.3.8	What opportunities exist to increase buyers either through buyers paying better prices, length of purchase agreement, or other terms		
	4.3.9	Create a value chain actor and process schematic for the project shows current and enhancements and which are expected to generate value for the project and Fund		
	4.3.10	Is there a secondary crop that should be evaluated in the initial assessment, if so include all the above for this crop too		
5. Emission Reduction Potential Quantified				
	5.1	What is the size of the forest area that the project will target reducing deforestation/degradation and/or what are the areas that		

IRC	N°	Requirements	Supporting Doc	References
		will have increased forest/biomass		
	5.2	If the SHCG do not have tenure over the forest areas, who does and how is a direct link build to reducing deforestation between SHGC and forest tenure holders		
	5.3	What is the typology / methodology that will create emission reductions/removals		
	5.4	For REDD+, are there studies conducted that identify drivers, agents and underlying causes of DF and DG, do these align with the planned activities		
	5.5	Has a formalized study been conducted to quantify the emission reduction potential, what is the quality and how reliable are the estimates		
	5.6	What is the target standard, and at what stage is the project in the process		
	5.7	Does the implementation plan ER cover activities needed to both change land-use and to produce emission reductions		
	5.8	Has the project sold any emission reduction yet, and if so to whom and for what price		
	5.9	How has been the partner to support development of the emission reductions, do we have agreements and workplans		
	5.10	What are the practices in its production system to reduce GHG emissions and increase carbon sequestration?		
6. Project Plan that Aligns Livelihoods Improvements, Ag/NTFP Production and Climate Mitigation Created				
	6.1	How does the climate change mitigation activities benefit the SHCG		
	6.2	Is there implemented a procedure to verify and assess the performance of each of the members in relation to the requirements of production?		
	6.3	What monitoring systems and processes are in place to measure operational performance		
7. Financial Projections Over Project Life				
	7.1	Are there financial projections, in a detailed model for the crop component that capture the planned activities and financial metrics needed to access return potential		
	7.2	Are there financial projections, in a detailed model for the ER component that capture the planned activities and financial metrics needed to access return potential		
	7.3	Have these models been localized and validated for the specific project		
	7.4	Does the project meet the investment size		
	7.5	Does the payback period of the investment is in the range of 3 to 5 Years?		
	7.6	Does the financial projection IRR meet the criteria for the Fund Investments?		
	7.7	Has the operational cost validate and include on the model?		
	7.8	Has sensitivity analysis been run on the project returns		
8. Benefits Sharing and Funds Management				
	8.1	How is the product flow from SHCG to the final buyer?		
	8.2	Have keep track of the products obtained from the SHCG? The Records shall indicate the name of the individual member, the date of purchase, the name the product, the volume and the price received by the member		
	8.3	Have an accounting system that performs accurate tracking of counts business expenses?		
	8.4	What experience and track record is in place for managing funds with the SHCG		
	8.5	How is the distribution of income in the community?		

CONFIDENTIAL