July 25, 2012

His Excellency
Frank George De Lima Gercich
Minister of Economy and Finance
Ministry of Economy and Finance
Dirección de Cooperación Técnica Internacional
Vía España, Calle 52 Este
Edificio OGAWA, 2 Piso
Republic of Panama

Re: Panama: GEF TF056628 (Rural Productivity and Consolidation of the Atlantic Mesoamerican Biological Project)
First Amendment to the Grant Agreement

Excellency,

We refer to the Grant Agreement between International Bank for Reconstruction and Development (the “Bank”) and the Republic of Panama (the “Recipient”) dated June 23, 2006 with respect to the above-captioned Project (the “Grant Agreement”). Please note that capitalized terms used in this letter (the “Amendment Letter”) and not defined herein have the meaning ascribed to them in the Grant Agreement.

Pursuant to your letter dated March 29, 2012 wherein a request is made to amend the Grant Agreement, we are pleased to inform you that the Bank agrees to amend the Grant Agreement so as to add reference to relevant documents to ensure applicability of the Bank’s safeguard policies on Pest Management in the carrying out of the Project:

1. Section I.C.4 of Schedule 2 (Project Execution) to the Grant Agreement is hereby incorporated to read in its entirety as follows:

   “4. Without limitation to the provisions of Section 5.01 (b) of the General Conditions, the Recipient, through ANAM, shall carry out the Project in accordance with the Safeguards Instruments.”

2. The following definition under Section I of Appendix to the Grant Agreement is hereby amended to read in its entirety as follows:

   “24. Operational Manual” or “OM” means the manual for Project implementation dated April 24, 2006 and revised on March 8, 2012 referred to in Section 1.B.1 of Schedule 2 to this Agreement.”

3. The following definition under Section I of Appendix to the Grant Agreement is incorporated to read in its entirety as follows:
"35. "Pest Management Plan" or "PMP" means the Recipient’s plan, March 1, 2012, agreed with the Bank and setting out measures to develop and implement integrated pest management and safe handling of pesticides in the course of Project implementation, as the PMP may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.”

Please also note that the approved Restructuring Paper dated July 13, 2012 will be disclosed on the Bank’s external website.

Please confirm your agreement to the foregoing amendment by signing and dating the two (2) originals of this Amendment Letter in the space provided below, and return one fully signed original to us. This Amendment Letter shall become effective as of the date of its countersignature upon receipt by the Bank of one duly executed original.

All other provisions of the Grant Agreement except as amended through this Amendment Letter shall remain in full force and effect.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

C. Felipe Jaramillo
Director
Central America
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF PANAMA

By: [Signature]
Authorized Representative
Name: Omar V. Castillo R.
Title: Ministro Encargado
Date: 16 de agosto de 2012