Global Financing Facility
Grant Agreement

(Crecer Sano: Guatemala Nutrition and Health Project)

between

REPUBLIC OF GUATEMALA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as administrator of the Multi-Donor Trust Fund for the Global Financing Facility

Dated May 15, 2019
GLOBAL FINANCING FACILITY
GRANT AGREEMENT

AGREEMENT dated May 15, 2013 entered into between:

REPUBLIC OF GUATEMALA ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as administrator of the Multi-Donor Trust Fund for the Global Financing Facility.

(A) Whereas the Recipient has informed the Bank that it will use budgeted funds to pre-finance the Eligible Expenditures.

(B) Whereas the Bank has agreed to Reimburse the Recipient an equivalent amount in Dollars from the Grant Account for said pre-financed Eligible Expenditures in accordance with paragraph 2.2 of the Disbursement Guidelines, and as provided in Sections III and IV of Schedule 2 to this Agreement, which Reimbursement will thereafter be registered for by the Recipient in its corresponding annual budget, and be used in conformity with the Recipient's budgetary laws.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project, through MSPAS, in coordination with MIDES and, SESAN (as the case may be, all in accordance with the provisions of Article II of the Standard Conditions and the Inter Institutional Arrangements.
2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III**

**The Grant**

3.01. The World Bank agrees to extend to the Recipient through the Ministry of Public Finance, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed nine million Dollars ($9,000,000) (“Grant”) to assist in financing the Buy-Down of the Loan, all in accordance with the provisions of this Agreement.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.

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

**Article IV**

**Additional Remedies**

4.01. The Additional Events of Suspension consist of the following:

(a) The regulations mentioned in Section IV. B. 1(b)(ii) of Schedule 2 to this Agreement) shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of MIDES and the Financial Institution to comply with the Anti-Corruption Guidelines.

(b) The Financial Institution shall have failed to comply with the Anti-Corruption Guidelines.
Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized by all necessary governmental action.

(b) The Loan Agreement has been executed and delivered and all conditions precedent to the effectiveness of said agreement, have been fulfilled.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing on behalf of the Recipient, that this Agreement has been duly authorized by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by September 18, 2019, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative is its Minister of Public Finance.
AGREED at Guatemala City, Republic of Guatemala, as of the day and year first above written.

REPUBLIC OF GUATEMALA

By ____________________________
Authorized Representative

Name: Victor Martinez

Title: Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as administrator of the Multi-Donor Trust Fund for the Global Financing Facility

By ____________________________
Authorized Representative

Name: Seynanou Sakho

Title: Country Director for Central America
6.02. The Recipient’s Address is:

Ministerio de Finanzas Públicas
8ª Avenida 20-59
Centro Cívico, Zona 1
Guatemala, Guatemala

Telex:
(502)23743000 Ext. 11801

6.03. The World Bank’s Address is:

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

Telex: Facsimile:
248423(MCI) or 1-202-477-6391
64145(MCI)
SCHEDULE 1

Project Description

The objective of the Project is to improve selected practices, services and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life) in the Intervention Areas.

The Project consists of the following parts:

Part 1. Providing Inter-sectoral Services to Address Chronic Malnutrition Risk Factors.

(a) Providing primary health care interventions of nutrition and health services to mothers and children; and increasing the access to, and the quality of, said health care interventions, through, inter alia: (i) the carrying out of selected health infrastructure investments, which consists of, inter alia, rehabilitation or construction of health posts in the Intervention Areas; (ii) the rehabilitation of selected community centers; (iii) the purchase of medical equipment, and medical and non-medical supplies; (iv) the carrying out health promotion activities; and (v) the carrying out of studies and training on the primary health care package to relevant stakeholders.

(b) Promoting behavioral change interventions through, inter alia: (i) the carrying out of health promotion activities, including workshops; (ii) fostering interpersonal communication and culturally appropriate local communication strategies; and (iii) providing technical assistance to improve the CCT Program.

(c) Improving access to safe drinking water and sanitation in the Intervention Areas through, inter alia: (i) the design, construction and/or rehabilitation of small water and sanitation systems in the Intervention Areas (Water Subprojects); (ii) the provision of water filters for households; (iii) the carrying out of tests of water systems to be rehabilitated; and (iv) strengthening the water quality monitoring system and follow up mechanisms to promote compliance with water quality standards.

(d) Support the interinstitutional coordination for the implementation of the following activities set forth in the National Strategy to Prevent Chronic Malnutrition 2016-2020, and follow up those activities to reduce chronic malnutrition, through, inter alia: (i) the improvement of existing information systems to ensure interoperability, through the RUUN and the existence of tools to monitor implementation progress of said strategy; (ii) the carrying out of studies on the causes and roles of risk factors in the development of chronic malnutrition; (iii) the evaluation of interventions to address chronic malnutrition; and (iv) the
preparation and implementation of a nationwide communication strategy for health and social workers, relevant stakeholders and the general population.

**Part 2. Moving the Focus towards Results.**

Carrying out a Results-based Eligible Expenditure Program to: (i) promote the use of health services, including timely prenatal care; (ii) promote behavioral changes, including exclusive breastfeeding during the first six (6) months of life; and (iii) strengthen the CCT Program in the Intervention Areas, as further described in Schedule 3 to this Agreement.

**Part 3. Supporting Project Management, Monitoring and Evaluation.**

Provision of support to MSPAS for the carrying out of Project management, coordination and evaluation, including, *inter alia*: (i) the carrying out of the Project audits; (ii) the provision of office equipment; (iii) the carrying out of training on project management, coordination and evaluation; (iv) the provision of technical support on procurement, safeguards and financial management requirements, including the hiring of MSPAS’ staff; (v) the financing of Operating Costs; and (vi) the carrying out of an independent verification of DLI achievement.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Throughout Project implementation, the Recipient shall ensure that MSPAS functions in a manner and with adequate staffing and budgetary resources, all acceptable to the World Bank, and as set forth in the Operations Manual.

2. No later than three (3) months after the Effective Date, the Recipient, through MSPAS, shall hire and maintain throughout the implementation of the Project, as a minimum, professionals in the following areas: financial management, accounting, budget, procurement, environment, and social, all with functions and responsibilities as set forth in the Operations Manual and with qualifications and experience, and under terms of reference, acceptable to the Bank.

B. Inter Institutional Arrangements

1. For purposes of facilitating the implementation of the Project, and no later than three (3) months after the Effective Date, the Recipient, through MSPAS, shall enter into separate arrangements with: (a) MIDES; and (b) SESAN, ("Inter Institutional Arrangements"), all under terms and conditions acceptable to the World Bank, including, inter alia: (i) the establishment of the coordination mechanisms among MSPAS, MIDES and SESAN, as applicable, to be used in connection with the implementation of the Project; and (ii) the terms and conditions governing MIDES and SESAN as beneficiaries of Project activities.

C. Water Subproject Agreements

1. To facilitate the carrying out of Part 1(c)(i) of the Project, and prior to the implementation of any Water Subproject under said Part of the Project that falls within the administrative jurisdiction of any given Participating Municipality, the Recipient, through MSPAS, shall enter into an agreement with said Participating Municipality (the "Water Subproject Agreement"), under terms and conditions acceptable to the World Bank and set forth in the Operations Manual, which shall include, inter alia, the obligation of said Participating Municipality to operate and maintain the Water Subproject in a manner acceptable to the World Bank.

2. The Recipient, through MSPAS, shall exercise its rights and carry out its obligations under each Water Subproject Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient,
through MSPAS, shall not assign, amend, abrogate, waive, terminate or fail to enforce any Water Subproject Agreement or any of its provisions, except as the World Bank shall otherwise agree.

D. Conditional Cash Transfers

Throughout Project Implementation, the Recipient, through MIDES, shall provide Conditional Cash Transfers under Part 2 of the Project in accordance with the updated CCT Operations Manual acceptable to the Bank.

E. Project Operations Manual

1. The Recipient, through MSPAS, shall adopt and thereafter carry out the Project in accordance with the provisions of a manual (the Operations Manual), acceptable to the World Bank, which shall include, inter alia: (a) a detailed description of Project activities and institutional arrangements for the Project; (b) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the institutional and administrative mechanisms established to ensure inter-institutional coordination; (e) the ESMF; and (f) the procedures to ensure the consultation and participation of indigenous peoples throughout the implementation of the Project.

2. Except as the World Bank may otherwise agree in writing, the Recipient, through MSPAS, shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operations Manual or any provision thereof.

3. In case of any conflict between the terms of the Operations Manual and those of the Loan Agreement, the terms of the Loan Agreement shall prevail.

F. Independent Evaluation

For purposes of carrying out Part 2 of the Project, the Recipient, through MSPAS in coordination with MIDES and SESAN, shall:

1. no later than 270 days after the Effective Date, select, hire and retain an Independent Evaluation Entity with qualifications and experience, and under terms of reference acceptable to the World Bank, in accordance with Section III of this Schedule;

2. cause the Independent Evaluation Entity to: (a) carry out a periodical technical verification of the level of achievement of the DLIs set forth in Schedule 3 to this Agreement; and (b) (i) prepare Independent Evaluation Reports covering a period of one calendar quarter, of such scope and detail as set forth in the Operations
Manual; and (ii) furnish each Independent Evaluation Report to the Recipient, no later than forty-five (45) days after the end of each calendar quarter; and

3. no later than thirty (30) after the receipt of each Independent Evaluation Report, forward to the World Bank each said report.

G. **Financial Institution Agreement**

1. For purposes of carrying out Part 2 of the Project, the Recipient, through MIDES, shall maintain an agreement with the Financial Institution (the Financial Institution Agreement) on terms and conditions acceptable to the World Bank, including, *inter alia*, the Financial Institution’s obligations to provide, on behalf of the Recipient, the Conditional Cash Transfers to Eligible Beneficiaries, all in a manner acceptable to the World Bank, and in accordance with the regulations mentioned in Section IV. B. 1(b)(ii) of Schedule 2 to this Agreement.

H. **Anti-Corruption**

The Recipient, through MSPAS, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

I. **Safeguards**

1. The Recipient, through MSPAS, shall carry out the Project in accordance with the ESMF.

2. Except as the World Bank shall otherwise agree, the Recipient, through MSPAS, shall not assign, amend, abrogate, terminate, fail to enforce or waive the ESMF or any of its provisions thereof.

3. The Recipient, through MSPAS, shall ensure that the terms of reference of any consultancy in respect to Part 1 of the Project shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the World Bank’s Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

**Section II. Project Monitoring, Reporting and Evaluation**

A. **Project Reports**

1. The Recipient, through MSPAS, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank and set forth in the Operations Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World
Bank not later than forty-five (45) days after the end of the period covered by such report.

B. **Financial Management; Financial Reports; Audits**

1. The Recipient, through MSPAS, shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient, through MSPAS, shall ensure that interim unaudited financial and disbursement monitoring reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar year, covering the year, in form and substance satisfactory to the World Bank.

3. The Recipient, through MSPAS, shall have the Results-based Eligible Expenditure Program under Part 2 of the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Results-based Eligible Expenditure Program under Part 2 of the Project shall cover the period of one fiscal year of the Recipient, or any other period acceptable to the World Bank. The audited Conditional Cash Transfers under Part 2 of the Project for each such period shall be furnished to the World Bank not later than six months after the end of such period.

**Section III. Withdrawal of Grant Proceeds**

A. **General**

1. The proceeds of the Grant may be withdrawn in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the Disbursement Guidelines as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Interest, Front-End Fee, Commitment Charge, principal amount of the Loan and/or any other fees, premia and charges, all pursuant to Article II of the Loan Agreement and the General Conditions</td>
<td>9,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>9,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement; and

   (b) with respect to Category (1), unless:

   (i) the Recipient has: (A) carried out a socio cultural assessment of the CCT Program under terms of reference acceptable to the World Bank; and (B) updated CCT Operations Manual in a manner to include the recommendations of the above-referenced socio cultural assessment, and with contents acceptable to the World Bank; and

   (ii) (A) the Technical Committee of the Social Protection Trust Fund shall have issued regulations (Reglamento) mandating the Social Protection Trust Fund, including the Financial Institution, to comply with the application of the Anti-Corruption Guidelines, on terms and conditions acceptable to the Bank; and (B) the regulations mentioned in (A) herein shall have become effective in a manner acceptable to the Bank.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is January 31, 2024.
Section IV. **Other Undertakings**

1. Without limitation to the provisions set forth in Section III.B.1. of this Schedule, each withdrawal under Category (1) shall be made only after the Recipient has furnished to the World Bank: (i) the Independent Evaluation Report acceptable to the World Bank, confirming the achievement of the respective DLI or DLIs set forth in Schedule 3 to this Agreement, and in the Operations Manual; and (ii) supporting documentation acceptable to the World Bank confirming that expenditures under the Results-based Eligible Expenditure Program in an amount equal to at least double the amount to be withdrawn under this Category in respect of each DLI, have been made, and that said expenditures have not been presented before to the World Bank as Eligible Expenditures or as satisfactory evidence for withdrawals under this Agreement or any other agreement providing for World Bank financing.
## SCHEDULE 3
Disbursement-Linked Indicators

<table>
<thead>
<tr>
<th>Disbursement Linked Indicator Description</th>
<th>Disbursement Linked Indicator</th>
<th>Amount of the Grant Allocated (expressed in Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI 1. Increased percentage of six month old children who are Exclusively Breastfed in the Intervention Areas.</td>
<td>DLI 1.1: The percentage of 6 month old children who are Exclusively Breastfed has increased to 50%; DLI 1.2: the percentage of 6 month old children who are Exclusively Breastfed has increased to 65%; and all cumulative from a baseline of 43%.</td>
<td>DLI 1.1: 2,250,000 DLI 1.2: 150,000 for every increase of 1% up to a maximum of 2,250,000</td>
</tr>
<tr>
<td>DLI 2. Increased percentage of children under two years old who are beneficiaries of the CCT Program receiving transfers based on compliance with the full verification cycle of health co-responsibilities in the Intervention Areas</td>
<td>DLI 2.1: The percentage of children under two years old whose household is: (a) located in the Intervention Areas; (b) enrolled in the CCT Program; (c) fulfilling the full verification cycle of health co-responsibilities; and (d) receiving Conditional Cash Transfers; all as set forth in the CCT Operations Manual, has increased to 30%; DLI 2.2: The percentage of children under two years old whose household is: (a) located in the Intervention Areas; (b) enrolled in the CCT Program; (c) fulfilling the full verification cycle of health co-responsibilities; and (d) receiving Conditional Cash Transfers; all as set forth in the CCT Operations Manual, has increased to 70%; and all cumulative from a baseline of 0.</td>
<td>DLI 2.1: 2,250,000 DLI 2.2: 56,250 for every increase of 1% up to a maximum of 2,250,000</td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions


2. “BANRURAL” means Banco de Desarrollo Rural, the Recipient’s Rural Development Bank created pursuant to the Legislative Decree No. 99-70, dated December 3, 1970, duly published in the Recipient’s official gazette on December 22, 1970, and as amended to the date of this Agreement.

3. “Buy-Down” means the interest, the Front-End Fee, the Commitment Charge, the principal amount of the Loan and/or any other fees, premia and charges, all pursuant to Article II of the Loan Agreement and the General Conditions.

4. “Category” means a category set forth in the table in Section III of Schedule 2 to this Agreement.

5. “CCT Operations Manual” means the Manual Operativo del Program Social Mi Bono Seguro, the Recipient’s manual for the CCT Program approved pursuant to the Recipient’s Ministerial Decree (Acuerdo Ministerial) No. DS-86-2015 dated August 31, 2015, as may be amended from time to time in a manner and with contents acceptable to the World Bank.

6. “CCT Program” means Programa Social Mi Bono Seguro, the Recipient’s conditional cash transfer program established pursuant to the Recipient’s Ministerial Decree (Acuerdo Ministerial) No. DS-46-2015, as amended to the date of this Agreement, or its successor acceptable to the World Bank.

7. “COCODES” means Consejos Comunitarios de Desarrollo, the Community Development Councils, created within the Recipient’s territory pursuant to the Legislative Decree No. 11-2002, dated December 3, 2002, duly published in the Recipient’s official gazette on April 15, 2002, and as amended to the date of this Agreement.

8. “Commitment Charge” means the Commitment Charge set forth in Article 2.04 of the Loan Agreement.

9. “COMUDES” means Consejos Municipales de Desarrollo, the Municipal Development Councils, created within the Recipient’s territory pursuant to the Legislative Decree No. 11-2002, dated December 3, 2002, duly published in the Recipient’s official gazette on April 15, 2002, and as amended to the date of this Agreement.

11. “Conditional Cash Transfer” means a grant made to an Eligible Beneficiary who complies with the health co-responsibilities under the CCT Program, as set forth in the CCT Operations Manual, collectively referred to as “Conditional Cash Transfers”.

12. “Department” means Departamento, a political subdivision of the Recipient created pursuant to the Recipient’s Constitution dated May 31, 1985, as amended to the date of this Agreement, collectively referred to as “Departments”.


14. “DLI” means each indicator related to Category (2) as set forth in the table in Schedule 3 to this Agreement.

15. “Eligible Beneficiary” means any individual living in the Intervention Areas who meets the eligibility criteria set forth in the CCT Operations Manual to benefit from a Conditional Cash Transfer.

16. “ESMF” means Environmental and Social Management Framework, the Recipient’s framework acceptable to the World Bank dated November 2016 and revised on April 2019, disclosed in country on April 25, 2019 and by the World Bank on April 26, 2019, which contains the environmental protection measures in respect of the Project, including: (a) protection of natural habitats and pest management; (b) guidelines for the identification of existing environmental conditions and potential direct and indirect environmental impacts resulting from the carrying out of the Project; (c) guidelines for the carrying out of environmental assessments and the preparation and implementation of environmental management plans, when applicable; (d) provisions for the treatment of physical cultural resources discovered during project implementation (chance finds); (e) the recommendation of mitigation measures for each negative impact identified; and (f) measures for enhancing each identified positive impact.

17. “Exclusively Breastfed” means that the infant receives only breast milk. No other liquids or solids are given, not even water, with the exception of oral rehydration solution, or drops/syrups of vitamins, minerals, or medicines.

18. “Financial Institution” means BANRURAL.
19. "Financial Institution Agreement" means the agreement entered into between the Recipient, through MIDES, and the Financial Institution, dated April 20, 2009, which created the Social Protection Trust Fund, as said agreement has been amended to the date of this agreement, and as the same may be further amended from time to time in a manner and with contents acceptable to the World Bank.

20. "Front-end Fee" means the Front-end Fee set forth in Article 2.03 of the Loan Agreement.

21. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of the Appendix to the Loan Agreement.

22. "Independent Evaluation Entity" means the independent verification entity referred to in Section I.F.1 of Schedule 2 to this Agreement.

23. "Independent Evaluation Report" means each of the quarterly reports referred to in Section I.F.2 of Schedule 2 to this Agreement.

24. "Inter Institutional Arrangement" means either one of the agreements referred to in Section I.B of Schedule 2 to this Agreement, collectively referred to as "Inter Institutional Arrangements".

25. "Intervention Areas" means the following Recipient's Departments Altavistavela, Chiquimula, Huehuetenango, Quiche, San Marcos, Sololá, Totonicapán, or any other Department acceptable to the World Bank.

26. "Loan" means the loan provided under the Loan Agreement.


29. "MSPAS" means Ministerio de Salud Pública y Asistencia Social, the Recipient's Ministry of Public Health and Social Assistance, which has been designated to assist the Recipient in the implementation of the Project pursuant to the Decree 1-2019, published in the Recipient's Official Gazette on March 11, 2019, or its successor thereto acceptable to the World Bank.

30. "National Strategy to Prevent Chronic Malnutrition 2016-2020" means the Recipient's strategy to prevent chronic malnutrition, approved and launched pursuant to CONASAN's Minute No. 02-2016, dated March 3, 2016, or any
subsequent national instrument to prevent chronic malnutrition acceptable to the Bank.

31. “Operating Costs” means reasonable expenditures (none of which would have been incurred by the Recipient absent the Project), for the implementation, coordination and supervision of the Project, including, inter alia, travel costs (i.e. accommodation, transportation, travel insurance, and per diem); operation and maintenance of office equipment; rental of offices; office supplies; communication and advertising costs; bank charges; utilities costs; vehicle operation, insurance and maintenance costs; printing and publications (electronic and/or paper); translation services; and such other expenditures as may be agreed upon by the Bank for the purposes mentioned herein.

32. “Operations Manual” means the Recipient’s manual referred to in Section I.E.1 of Schedule 2 to this Agreement, as the same may be amended from time to time in a manner and with contents acceptable to the World Bank.

33. “Participating Municipality” means Municipio, any municipality within the Intervention Areas, and created pursuant to Legislative Decree No. 12-2002, dated April 2, 2002 and duly published in the Recipient’s official gazette on May 13, 2002, collectively referred to as “Participating Municipalities”.

34. “Reimburse” means to use a World Bank’s disbursement method for financing with the proceeds of the Grant Eligible Expenditures under Part 2 of the Project pursuant to this Agreement, which have been pre-financed by the Recipient from its own resources.

35. “Reimbursement” means a disbursement method used by the World Bank for financing with the proceeds of the Grant Eligible Expenditures under Part 2 of the Project pursuant to this Agreement, which have been pre-financed by the Recipient from its own resources.

36. “Results-based Eligible Expenditure Program” means a portion of the Recipient’s budgetary allocation for financing Conditional Cash Transfers in accordance with Section IV of Schedule 2 to this Agreement.

37. “RUUN” means Registro Único de Usuarios Nacional, the Recipient’s National Unique Registry of Beneficiaries of MIDES social protection programs, including the CCT Program, or its successor acceptable to the Bank.

38. “SESAN” means Secretaría de Seguridad Alimentaria y Nutricional, the Recipient’s Secretariat for Food Security and Nutrition, or any successor acceptable to the World Bank.

40. "Water Subproject" means any water investment referred to in Part 1(c)(i) of the Project, collectively referred to as "Water Subprojects".

41. "Water Subproject Agreement" means any of the agreements referred to in Section I.C.1 of Schedule 2 to this Agreement.

42. "World Bank’s Safeguard Policies" means the World Bank’s operational safeguard policies and procedures, set forth in the World Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60, or such policies and procedures then in force.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The provisions of Section 3.06 (a) of the Standard Conditions are hereby modified to read as follows: "the payment is for the cost of the interest, the Front-End Fee, the Commitment Charge, the principal amount of the Loan and/or any other fees, premia and charges, all pursuant to Article II of the Loan Agreement and the General Conditions, to be financed out of the proceeds of the Grant in accordance with the provisions of the Grant Agreement".

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