Global Environment Facility

Grant Agreement

(Rural Corridors and Biodiversity Project)

between

ARGENTINE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility
GEF GRANT NUMBER TF018376

GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT dated as of the Signature Date (as defined in the Appendix to the Grant Agreement) entered into between ARGENTINE REPUBLIC ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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 this 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 cause APN to:

(a) carry out Parts 1.A, 1.C, 2.A, 2.B (i), (ii) and (iii), 3 and 4 of the Project; and

(b) (i) provide assistance to each Subproject Implementing Entity in the carrying out of the pertinent Subproject; and (ii) cause each Subproject Implementing Entity to carry out the pertinent Subproject pursuant to the terms of the corresponding Subproject Agreement;

all in accordance with the provisions of Article II of the Standard Conditions, the Subsidiary Agreement, and with due regard to the mandates of the UNCBD, the UNFCCC, the Kyoto Protocol, and the decisions adopted by UNFCCC relevant for the carrying out of the Project.
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, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to six million two hundred eighty-nine thousand and thirty United States Dollars ($6,289,030) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the GEF 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 referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

(a) That the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the Signature Date, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred;

(b) any action has been taken for the dissolution, disestablishment or suspension of operations of APN; and

(c) APN shall have failed to comply with any of its obligations under the Subsidiary Agreement.
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 or ratified by all necessary governmental action; and

(b) the Subsidiary Agreement has been executed on behalf of the Recipient and APN.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 of this Agreement, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank showing the following matters:

(a) that this Agreement has been duly authorized or ratified by the Recipient, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

(b) that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and APN and is legally binding upon each such party 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 Sections 5.01 and 5.02 ("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. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and twenty (120) days after the Signature Date (the Effectiveness Deadline), 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.
6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Economy and Public Finance.

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

Ministerio de Economía y Finanzas Públicas
Hipólito Yrigoyen 250
C1086AAB, Buenos Aires, Argentina

Cable: MINISTERIO DE DE ECONOMIA
Telex: 121942-AR
Facsimile: (54 11) 4349-8815

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

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

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Buenos Aires, Argentina, on behalf of the World Bank on May 26, 2015, and on behalf of the Recipient on June 12, 2015.

ARGENTINE REPUBLIC

By

Authorized Representative
Name: [Signature]
Title:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

By

Authorized Representative
Name: Jesko Hentschel
Title: Country Director
SCHEDULE 1

Project Description

The objectives of the project are to increase the protection of vulnerable natural areas and conserve biological diversity within the Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystems and, implement measures to enhance biodiversity resilience to climate change and protect forest carbon assets.

The Project consists of the following parts:

Part 1: Core Protected Areas

A. Establishment, strengthening and operational startup of Selected Protected Areas within the Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystem, through:

(i) the provision of the necessary selected infrastructure for basic management such as administrative buildings, park guard facilities, storage and maintenance infrastructure, information centers, research facilities, small-scale improvements for park access and visitor use, and small infrastructure such as fences, corrals and garages, for Selected Protected Areas, including: (a) the proposed Chaco Seco National Park (which, upon acquisition of full legal ownership by Recipient over said Park and its legal establishment, will be considered a Selected Protected Area); and (b) the Impenetrable Chaqueño Provincial Multiple Use Reserve (which, upon its legal establishment, will be considered a Selected Protected Area);

(ii) the carrying out of selected technical studies on, inter alia, social, environmental, climate change and management themes, including the provision of support to the Recipient in the drafting of legal instruments required for the establishment of the park and reserve mentioned in (i) (a) and (b) above, the elaboration of draft management plans and the carrying out of boundary surveys, for purposes of identifying the boundaries of Selected Protected Areas, as well as the park and reserve herein referred, all acceptable to the World Bank;

(iii) the provision of training and capacity building for: (a) personnel ascribed to Selected Protected Areas; and (b) personnel potentially ascribed to the park and reserve mentioned in (i) (a) and (b) above; and
(iv) the acquisition and utilization of the necessary selected equipment for park management including, *inter alia*, vehicles, small-scale boats, communications, firefighting, global positioning system (GPS) and audiovisual equipment, computers and furniture.

B. The carrying out of Sustainable-Use Subprojects.

C. Carrying out of public consultations including, *inter alia*, consultative meetings and workshops, the generation and dissemination of information and the design of a participation plan for purposes of encouraging stakeholder involvement in conservation.

Part 2: Conservation Corridors in the Gran Chaco and the Patagonian Steppe and Coastal-Marine Ecosystems.

A. Design and implementation of a multi-stakeholder process for piloting Conservation Corridors in the Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystems, through:

(i) the mapping of the Pilot Conservation Corridors and Patagonia Steppe Conservation Corridors;

(ii) the design, validation and dissemination of participatory, operational and strategic plans, programs and management tools for said Pilot Conservation Corridors and Patagonia Steppe Conservation Corridors;

(iii) the design of cooperation frameworks for Pilot Conservation Corridors' and Patagonia Steppe Conservation Corridors' management, and the establishment of coordination mechanisms and/or management committees for said corridors;

(iv) the carrying out of studies and workshops on *inter alia* social, environmental, biodiversity and climate-change issues in Pilot Conservation Corridors and Patagonia Steppe Conservation Corridors, and the design of draft management plans acceptable to the World Bank for legally established provincial protected areas within Pilot Conservation Corridors (excluding Selected Protected Areas);

(v) the establishment of APN field units in the Pilot Conservation Corridors and Patagonia Steppe Conservation Corridors (including the acquisition and utilization of equipment required therefor); and

(vi) the provision of support to the Recipient in the designing of financial incentives to promote biodiversity conservation in said Pilot Conservation Corridors and Patagonia Steppe Conservation Corridors.
B. Carrying out of catalytic actions to pilot mainstreaming of corridor conservation in the Chaco Húmedo Pilot Conservation Corridor and the Chaco Seco Impenetrable Pilot Conservation Corridor, through:

(i) the provision of training to, inter alia, park guards, wildlife agents, extension agents and rural educators, all under terms of reference acceptable to the World Bank;

(ii) the cataloging of best practices for sustainable land use, conservation and biodiversity monitoring, and the development and dissemination of guidelines on such best practices;

(iii) the establishment of a network for conservation action, biodiversity monitoring and climate change mitigation; and

(iv) the carrying out of Demonstration Subprojects.

Part 3: Collaboration for Corridors' Conservation

A. Strengthening of SIFAP through the promotion of a shared vision among its members, a comprehensive stakeholder involvement, an adequate institutional support and a solid long-term financial plan, including:

(i) the provision of operational support to start-up SIFAP's executive committee and secretariat;

(ii) the collection, comparison and analysis of provincial- and private-protected area classifications, and the provision of support to the Recipient in the drafting of a proposal for common standards for protected areas;

(iii) the establishment of a website for online information and registration system, and the design of a management effectiveness evaluation tool for protected areas;

(iv) the analysis and preparation of climate change mitigation and adaptation strategies to support conservation, including tie-ins to the Forest Law and REDD initiatives; and

(v) the carrying out of national and eco-regional gap analyses and conservation priority setting.
B. Development of management standards and strengthening of provincial and national parks institutional capacity, including:

(i) the carrying out of needs assessment studies aimed at acquiring an accurate and comprehensive overview of the strengths and weaknesses of national and provincial protected areas systems for purposes of guiding the enhancement of said systems;

(ii) the carrying out of regional and inter-provincial workshops for best practice-sharing, as well as the provision of training for conservation management and climate change mitigation/adaptation (including short-courses and scholarships);

(iii) the development of guidelines for provincial protected areas management; and

(iv) the carrying out of training visits by personnel of provincial and national protected areas (at national and international level) for capacity building on conservation and climate-change themes.

C. Development of financing mechanisms and improvement of SIFAP’s organizational structure, through:

(i) the carrying out of analyses and the provision of support to the Recipient in the development of proposals for financing mechanisms for conservation, as well as the review of regulatory frameworks and existing incentive structures for mainstreaming biodiversity conservation at provincial and national levels; and

(ii) the carrying out of a diagnostic review and the provision of support to the Recipient in the development of a proposal for a regulatory framework for private and community protected areas, as well as the identification of options for funding mechanisms for such private and community protected areas.

Part 4: Management, Monitoring and Evaluation of the Project.

A. Provision of technical and operational assistance, as necessary, to support adequate Project management.

B. Development and implementation of a monitoring and evaluation program for the Project (including a monitoring and evaluation program for climate-change themes).

C. Carrying out of Project audits, Mid-term Review and final evaluation of the Project.
Section I. Institutional and Other Arrangements

A. Subsidiary Agreement

1. For purposes of carrying out of the Project, the Recipient shall make the proceeds of the Grant available to APN under a subsidiary agreement ("Subsidiary Agreement") to be entered into between the Recipient and APN, under terms and conditions satisfactory to the World Bank, which shall include, inter alia, those set forth in the Schedule 3 to this Agreement.

2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary 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 shall not assign, amend, abrogate, terminate, waive or fail to enforce the Subsidiary Agreement or any of its provisions.

B. Operational Manual and Environmental Management Plan

1. Without limitation to the provisions of Section 2.01 of this Agreement, the Recipient shall cause APN to carry out the Parts of the Project under its responsibility in accordance with the Operational Manual (including the Indigenous Peoples Planning Framework, the Resettlement Policy Framework and the Process Framework) and the Environmental Management Plan.

2. In case of any conflict between the provisions of this Agreement and those of the Operational Manual and/or the Environmental Management Plan, the provisions of this Agreement shall prevail.

C. Project Implementing Unit

1. The Recipient shall cause APN to operate and maintain at all times during the execution of the Project, a unit (the Coordinating Unit) responsible for the management, supervision, monitoring and evaluation of the Project, with structure and functions satisfactory to the World Bank and qualified staff in adequate numbers as required to carry out its responsibilities under the Project, including inter alia, a coordinator, specialists with expertise in biodiversity conservation, biodiversity survey and monitoring, site planning and management, social and rural development, policy and regulatory aspects, outreach and communications, a procurement officer and administrative and technical assistants, all with qualifications, experience and under terms of reference acceptable to the World Bank.
D. Subprojects

1. For the purposes of carrying out Parts 1.B. and 2.B. (iv) of the Project, the Recipient shall cause APN to:

   (a) prior to the carrying out of any given Subproject, transfer, on a grant basis, part of the proceeds of the Grant to the corresponding Subproject Implementing Entity pursuant to the terms of an agreement (the "Subproject Agreement"), under terms and conditions acceptable to the World Bank, which shall include, inter alia, those set forth in Schedule 4 to this Agreement; and

   (b) exercise its rights and comply with its obligations under each of the Subproject Agreements in such manner as to protect the interests of the World Bank and to accomplish the objective of the Project.

2. Except as the World Bank shall otherwise agree, the Recipient shall cause APN not to assign, amend, abrogate, waive or fail to enforce any of the Subproject Agreements or any of the provisions thereof.

E. Anti-Corruption

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

F. Safeguards

1. Without limitation to the provisions of Section 2.01 of this Agreement, the Recipient shall cause APN to implement the Parts of the Project under its responsibility (including the provision of assistance to Subproject Implementing Entities as referred to in Section 2.01 (b) (i) of this Agreement) in accordance with the Environmental Management Plan.

2. Prior to the approval of any activity under Parts 1.A (i) and (ii), 1.B, 1.C, 2.A (i), (ii) and (iv), and 2.B (iv) of the Project, the Recipient shall cause APN to: (a) carry out an environmental/social screening of the pertinent activities, and if applicable as set forth in the Environmental Management Plan, prepare and approve an environmental/social management plan, acceptable to the World Bank, for the carrying out of each activity, all in accordance with the pertinent provisions of the Environmental Management Plan; and (b) immediately after said approval, implement the corresponding environmental/social management plan in accordance with its terms and in a manner acceptable to the World Bank.
3. Without limitation to the pertinent provisions of this Agreement, and if as a result of the definition of the zone of impact in respect of the implementation of Project activities and/or of the carrying out of the pertinent environmental/social screening (as referred to in Section I.F.2, of this Schedule), it is determined that Involuntary Resettlement (other than an adverse impact on the livelihoods of the affected persons as a result of an involuntary restriction of access to natural resources in legally designated parks and protected areas (including reserves) as provided in paragraph 5 below) will be involved in respect of any given Project activities, the Recipient shall cause APN to: (a) prior to the carrying out of any such Project activities, prepare and furnish to the World Bank a resettlement plan (acceptable to the World Bank) for the implementation of said activities, consistent with the provisions of the RPF; and (b) immediately thereafter, implement each resettlement plan in accordance with its terms and in a manner acceptable to the World Bank.

4. Without limitation to the pertinent provisions of this Agreement, and if applicable as set forth in the IPPF, the Recipient shall cause APN to: (a) prior to the carrying out of any pertinent Project activities, prepare and furnish to the World Bank an indigenous peoples plan (acceptable to the World Bank) for said Project activities, consistent with the provisions of the IPPF; and (b) immediately thereafter, implement each indigenous peoples plan in accordance with its terms, and in a manner acceptable to the World Bank.

5. Without limitation to the pertinent provisions of this Agreement and when so determined by the World Bank, the Recipient shall cause APN to: (a) prior to the carrying out of any pertinent Project activity that may cause an adverse impact on the livelihoods of the affected persons as a result of an involuntary restriction of access to natural resources in legally designated parks and protected areas (including reserves) under the Project, prepare and furnish to the World Bank an Action Plan, consistent with the provisions of the PF; and (b) immediately thereafter, implement each Action Plan in accordance with its terms and those of the PF, and in a manner acceptable to the World Bank.

G. Other Arrangements

1. The Recipient shall cause APN to ensure, that the terms of reference for any consultancy in respect of any Project activity under Parts 1.A (ii) and (iii), 1.B and 2.B 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 Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report; Mid-term Review

1. The Recipient shall cause APN to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester (starting with the first calendar semester of 2015), 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.

2. The Recipient shall cause APN to prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

3. Not later than thirty (30) days after the Effective Date, the Recipient shall cause APN to design, implement and thereafter maintain during the execution of the Project, a fiduciary monitoring program acceptable to the World Bank for the purposes of producing quarterly (or any interval acceptable to the Recipient and the World Bank) reports on the fiduciary aspects and physical performance of the Subprojects financed under the Project.

4. By June 30, 2018, or such other date as the World Bank shall agree upon, and without limitation to the provisions of Section 2.06 (a) and (b) of the Standard Conditions, the Recipient shall: (a) carry out jointly with the World Bank, a mid-term review of the implementation of activities under the Project, which shall cover the progress achieved in the implementation of the Project; and (b) following such mid-term review, act promptly and diligently to take any corrective action as shall be agreed by the Bank.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall cause APN to ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall cause APN to ensure that semi-annual interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of each Project Report, in form and substance satisfactory to the World Bank.

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

4. The Recipient shall, prior to the commencement of each calendar year during Project implementation, create and thereafter maintain throughout each said calendar year of Project implementation, a specific budget line entry in the national annual budget (starting in the calendar year 2015), and shall maintain said budget line entry thereafter in order to keep track of the corresponding expenditures incurred during Project implementation.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. The Recipient shall cause APN to procure all goods, works, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant in accordance with the requirements set forth or referred to in:

   (a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and

   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by APN for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

3. Special Provisions. Without limitation to the other provisions in Section III.A.1 of this Schedule, the Recipient shall cause APN to comply with the following additional provisions which shall also govern the procurement of goods, works, non-consulting services and consultants' services under the Project (as the case may be):

   (a) procurement of goods, works, non-consulting services and consultants' services (in respect of firms) shall be carried out using: (i) standard bidding documents (which bidding documents in respect of works shall include, if applicable, a provision whereby the pertinent contractor must comply with
the pertinent provisions of: (A) the Environmental Management Plan; (B) the Indigenous Peoples Planning Framework; (C) the Resettlement Policy Framework; and (D) the Process Framework) and standard requests for quotations/proposals (as the case may be), all acceptable to the World Bank, which shall all include, *inter alia*, a settlement of dispute provision and the pertinent provisions of the Anti-Corruption Guidelines; (ii) model bid evaluation forms, and model quotations/proposals evaluation forms (as the case may be); and (iii) model contract forms, all acceptable to the World Bank;

(b) a two-envelope bidding procedure shall not be allowed in the procurement of goods, works and non-consulting services;

(c) after the public opening of bids for goods, works and non-consulting services, information relating to the examination, clarification and evaluation of bids and recommendations concerning awards, shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of contract award. In addition, bidders and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other bidders' bids;

(d) after the public opening of consultants' proposals, information relating to the examination, clarification and evaluation of proposals and recommendations concerning awards, shall not be disclosed to consultants or other persons not officially concerned with this process until the publication of contract award (except as provided in paragraphs 2.23 and 2.30 of the Consultant Guidelines). In addition, consultants and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other consultants' proposals;

(e) foreign bidders or foreign consultants shall not, as a condition for submitting bids or proposals and/or for contract award: (i) be required to be registered in Argentina (except as provided in the standard bidding documents referred to in paragraph 4 (a) (i) above); (ii) be required to have a representative in Argentina; and (iii) be required to be associated or subcontract with Argentine suppliers, contractors or consultants;

(f) the invitations to bid, bidding documents, minutes of bid openings, requests for expressions of interest and the pertinent summary of the evaluation reports of bids and proposals of all goods, works, non-consulting services and consultants' services procured by APN, shall be published in the web page of the Recipient's Office of National Procurement (*Oficina Nacional de Contrataciones*), and in a manner acceptable to the World Bank. The bidding period shall be counted from
the date of publication of the invitation to bid or the date of the availability of the bidding documents, whichever is later, to the date of bid opening;

(g) the provisions set forth in paragraphs 2.49, 2.50, 2.52, 2.53, 2.54 and 2.59 of the Procurement Guidelines shall also be applicable to contracts for goods, works and non-consulting services to be procured under National Competitive Bidding procedures;

(h) references to bidders in one or more specialized magazines shall not be used by APN in determining if the bidder in respect of goods whose bid has been determined to be the lowest evaluated bid has the capability and resources to effectively carry out the contract as offered in the bid, as referred to in the provision set forth in paragraph 2.58 of the Procurement Guidelines. The provision set forth in paragraph 2.58 of the Procurement Guidelines (including the limitation set forth herein) shall also be applicable to contracts for goods to be procured under National Competitive Bidding procedures;

(i) witness prices shall not be used as a parameter for bid evaluation, bid rejection or contract award;

(j) APN shall: (i) supply the SEPA with the information contained in the initial Procurement Plan within thirty (30) days after the Project has been approved by the World Bank; and (ii) update the Procurement Plan at least every three (3) months, or as required by the World Bank, to reflect the actual project implementation needs and progress and shall supply the SEPA with the information contained in the updated Procurement Plan immediately thereafter;

(k) consultants shall not be required to submit bid or performance securities;

(l) contracts of goods, works and non-consulting services shall not be awarded to the "most convenient" bid, but rather to the bidder whose bid has been determined: (i) to be substantially responsive; and (ii) to offer the lowest evaluated bid, provided that said bidder has demonstrated to be qualified to perform the contract satisfactorily;

(m) the types of contracts described in Section IV of the Consultant Guidelines shall be the only types of contracts to be used by APN in connection with the contracting of consultants’ services provided by a firm and to be financed with the proceeds of the Grant; and

(n) the Recipient shall keep updated a list of contracts signed under the Project, and such list shall be produced by UEPEX in a manner acceptable to the World Bank.
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. National Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of National Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than National Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; and (b) Direct Contracting.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Selection Based on the Consultants’ Qualifications; (b) Least Cost Selection; (c) Selection of Individual Consultants; and (d) Sole Source Procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the 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 (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, Training, consultants' services, non-consulting services and Operating Costs (other than works under Categories (2), (3) and (4), and goods, Training, consultants' services, non-consulting services and Operating Costs under Category (2))</td>
<td>4,973,630</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, Training, consultants' services, non-consulting services and Operating Costs under Subprojects</td>
<td>460,400</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Works under Part 1.A.(i) (a) of the Project (proposed Chaco Seco National Park)</td>
<td>590,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Works under Part 1.A.(i)(b) of the Project (Impenetrable Chaqueño Provincial Multiple Use Reserve)</td>
<td>265,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,289,030</td>
<td></td>
</tr>
</tbody>
</table>
3. For purposes of this paragraph:

(a) the term “Operating Costs” means any reasonable expenditure incurred by APN and/or Subproject Implementing Entities, based on the Procurement Plan, for the management of the Project, such as travel costs, rentals, maintenance of facilities, non-durable goods, and utilities, but excluding civil servant salaries, all of which would not have been incurred absent the Project; and

(b) the term “Training” means expenditures (other than those for consultants’ services) incurred by APN and/or Subproject Implementing Entities, as approved by the World Bank on the basis of the Procurement Plan, for: (i) study tours, seminars, workshops, meetings and internships in the Recipient’s country and abroad; (ii) workshop and training facility and equipment rentals; (iii) training materials; (iv) transportation and per diem of trainers and trainees in connection with their training; and (v) training registration fees, solely as these expenditures are required for the Project.

B. Withdrawal Conditions; Withdrawal Period

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

(a) payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed $700,000 equivalent may be made for payments made prior to the Signature Date but on or after February 28, 2015 (but in no case more than one year prior to the Signature Date) for Eligible Expenditures for Category (1) if the pertinent conditions set forth in this Agreement, as applicable to each Eligible Expenditure have been complied with;

(b) payments under Category (3) unless: (i) evidence, satisfactory to the World Bank, has been provided showing that the Recipient has obtained full legal ownership of the park mentioned in Part 1.A. (i) (a) of the Project, in a manner acceptable to the World Bank; and (ii) the pertinent Action Plan for such national park, acceptable to the World Bank, has been prepared; and

(c) payments made under Category (4) unless: (i) evidence, satisfactory to the World Bank, has been provided showing that the reserve mentioned in Part 1.A (i)(b) of the Project has been legally established in a manner acceptable to the World Bank; and (ii) the pertinent Action Plan for such reserve, acceptable to the World Bank, has been prepared.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is November 30, 2020.
SCHEDULE 3

Terms and Conditions of the Subsidiary Agreement

The Subsidiary Agreement shall contain, inter alia, the following provisions:

A. The obligation of the Recipient to promptly disburse the proceeds of the Grant to APN in a manner acceptable to the World Bank.

B. The right of the Recipient to take remedial actions in case APN fails to comply with any of its obligations under the Subsidiary Agreement (which actions may include, inter alia, the partial or total suspension and/or cancellation of the proceeds of the Grant (as the case may be), all of which shall be previously agreed with the World Bank).

C. The obligation of APN to:

1. (a) carry out the Parts of the Project under its responsibility (including the provision of assistance to Subproject Implementing Entities as provided in Section 2.01 (b) (i) of this Agreement); and (b) cause each Subproject Implementing Entity to carry out the pertinent Subproject, with due diligence and efficiency, and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, and in accordance with the provisions of this Agreement, the Anti-Corruption Guidelines, the Operational Manual, the Environmental Management Plan, the Indigenous Peoples Planning Framework, the Resettlement Policy Framework, the Process Framework, the Procurement Guidelines and the Consultant Guidelines;

2. if applicable as determined by the World Bank, to comply with the World Bank Safeguards Policies, in accordance with the terms of this Agreement;

3. provide the counterpart funds, facilities, services and other resources, necessary or appropriate to carry out the Parts of the Project under its responsibility;

4. not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Subsidiary Agreement or any provision thereof, unless previously agreed by the World Bank;
5. if applicable, to comply, or caused to be complied, with the obligations referred to in Sections 2.02, 2.03, 2.04, 2.05, 2.06, 2.08 and 2.09 of the Standard Conditions (relating to insurance, land acquisition, use of goods, works and services, and maintenance of facilities, documents and records, project monitoring, reporting and evaluation, cooperation and consultation and visits, respectively); and

6. take or permit to be taken all action to enable the Recipient to comply with its obligations under the Grant Agreement, as applicable to APN.
Terms and Conditions of Subproject Agreements

Each Subproject Agreement shall contain, \textit{inter alia}, the following provisions:

A. the obligation of APN:

(i) to promptly disburse to each Subproject Implementing Entity, on a grant basis, a portion of the proceeds of the Grant in a manner acceptable to the World Bank; and

(ii) to ensure that the pertinent Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

B. The right of APN to take remedial actions against the pertinent Subproject Implementing Entity in case said Subproject Implementing Entity shall have failed to comply with any of its obligations under the pertinent Subproject Agreement (which actions may include, \textit{inter alia}, the partial or total suspension and/or cancellation of the proceeds of the Grant allocated to the pertinent Subproject, all as previously agreed with the World Bank).

C. The obligation of each Subproject Implementing Entity:

(i) to carry out the pertinent Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, social and cultural practices, in accordance with the provisions of this Agreement, the Anti-corruption Guidelines, the Operational Manual, the Environmental Management Plan, the Indigenous Peoples Planning Framework, the Resettlement Policy Framework, the Process Framework, the Procurement Guidelines and the Consultant Guidelines;

(ii) if applicable, as determined by the World Bank, adopt and undertake the obligation to carry out the corresponding Subproject in accordance with the pertinent environmental/social management plans, indigenous peoples plans, resettlement plans and/or Action Plans (as referred to in Sections I.F.2 through I.F.5 of Schedule 2 to this Agreement) or similar mitigation instruments, as applicable, in accordance with their terms and those of this Agreement, the Operational Manual and the Environmental Management Plan.
(iii) if applicable as determined by the World Bank, to comply with
the World Bank Safeguards Policies, in accordance with the terms
of this Agreement;

(iv) to use the proceeds of the Grant allocated to the pertinent
Subproject solely for purpose of partially financing said Subproject;

(v) to co-finance the cost of the pertinent Subproject, as provided in
the Operational Manual;

(vi) to take all necessary action to permit the Recipient and APN to
comply with their obligations referred to in this Agreement and
the Subsidiary Agreement, as applicable to the carrying out of the
pertinent Subproject;

(vii) not to assign, terminate, abrogate, repeal, waive or fail to enforce
the Subproject Agreement or any provision thereof, unless
previously agreed by APN and the World Bank; and

(viii) to: (a) upon request from the World Bank, furnish to the World
Bank any information reasonably requested with respect to the
Subproject; and (b) take all necessary measures required on the
part of the Subproject Implementing Entity to enable the World
Bank to visit the Subproject site and/or facilities.
APPENDIX

1. "Action Plan" means any of APN’s plans, consistent with the provisions of the Process Framework, that describes the specific measures and implementation arrangements to be undertaken in case an involuntary restriction of access to natural resources in legally designated parks and protected areas (including reserves) causes an adverse impact in the livelihoods of the affected persons, all as approved by the World Bank.


3. “APN” means Administración de Parques Nacionales, the Recipient’s National Park Administration, established by the Recipient’s Law No. 22.351, dated December 12, 1980, or any successor thereto, acceptable to the World Bank.

4. “Chaco Húmedo Pilot Conservation Corridor” means the aggregate of spatially-specific and ecologically-oriented landscape elements which provide connectivity to form the largely forested ecological network in the vicinity of the proposed Impenetrable Chaqueño Provincial Multiple-Use Reserve, extending to Pampa del Indio Provincial Park and Chaco National Park and the areas in the vicinity of said park.

5. “Chaco Seco Impenetrable Pilot Conservation Corridor” means the aggregate of spatially-specific and ecologically-oriented landscape elements which provide connectivity to form the largely forested ecological network from the Formosa Natural Reserve, through the vicinity of the proposed Chaco Seco National Park, and extending to the Copo National and Provincial Parks and the areas in the vicinity of said parks.

6. "Conservation Corridors" means the spatially-specific and ecologically-oriented landscape elements which provide connectivity to form ecological networks.


8. “Coordinating Unit” means APN’s unit established pursuant to Resolution APN 49/2010 and mentioned in Section I.C.1 of Schedule 2 to this Agreement.

9. “Demonstration Subprojects” means small-scale investments/activities (including mapping activities) under Part 2.B (iv) of the Project to be carried out outside the boundaries of a Selected Protected Area but within a Pilot Conservation Corridor and aimed at promoting best practices for conservation and climate change.
mitigation and adaptation, which consist of improved approaches to conservation and sustainable management of natural resources, all as selected, approved and implemented in accordance with the provisions of the Operational Manual.

10. "Environmental Management Plan" means the Recipient’s framework document (which includes an environmental assessment), published on February 26, 2015 which contains, inter alia, environmental protection measures in respect of the Project, including measures for chance finding of cultural property, identification of existing environmental conditions and potential direct and indirect environmental impacts from the carrying out of the Project, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact.


12. "Gran Chaco Ecosystem" means the dry forest ecosystem located in the Recipient’s northern territory which covers approximately 660,000 square kilometers of forests, wetlands, palm savannas, grasslands, and rangelands within the territorial jurisdiction of twelve (12) of the Recipient’s Provinces.

13. “Indigenous Peoples Planning Framework” or “IPPF” means the Recipient’s framework, acceptable to the World Bank (included in the Operational Manual) published on February 26, 2015, setting forth the indigenous peoples policy framework applicable to all the activities to be carried out under the Project and the basis and procedures to prepare specific indigenous peoples’ plans or related instruments during Project implementation.

14. “Involuntary Resettlement” means the impact of: (i) an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) income source or means of livelihood adversely affected (whether or not the affected persons must move to another location); or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; or (ii) an involuntary restriction of access to natural resources in legally designated parks and protected areas (including reserves) which causes an adverse impact on the livelihoods of the affected persons.

15. "Kyoto Protocol" means the protocol within the framework of the UNFCCC (as hereinafter defined), adopted by several countries in Kyoto, Japan on December 11, 1997, for the purposes of achieving the stabilization of atmospheric greenhouse gas concentrations at levels that would prevent dangerous anthropogenic (human-induced) interference with the climatic system.
16. “Non-consulting services” means services under the Project, which services will
be bid and contracted on the basis of performance of measurable physical outputs.

17. “Operational Manual” means the Recipient’s manual dated February 25, 2015,
acceptable to the World Bank, which sets forth, inter alia: (a) the criteria for
selecting any investments/activities under Subprojects; (b) the structures, functions
and responsibilities of the Coordinating Unit; (c) the Indigenous Peoples Planning
Framework; (d) the Resettlement Policy Framework; (e) the Process Framework;
(f) the Project’s chart of accounts and internal controls; (g) the format of: (i) the
unaudited interim financial reports referred to in Section II.B.2 of Schedule 2 to
this Agreement; and (ii) the Financial Statements; (h) the terms of reference for
carrying out the Project audits under Section II.B.3 of Schedule 2 to this
Agreement; (i) the Project performance indicators (including the results
framework); and (j) the Project disbursement and procurement procedures, as said
manual may be updated and/or amended from time to time with the agreement of
the World Bank.

18. “Patagonian Steppe and Coastal-Marine Ecosystem” means the extensive grass
and shrub ecosystem extending from the Atlantic Ocean to the foothills of the
Andes in the southern territory of the Recipient.

19. “Patagonia Steppe Conservation Corridors” means the aggregate of spatially-
specific and ecologically-oriented landscape elements which provide connectivity
to form the ecological network within the largely steppe vegetation encompassing
an area of approximately 828,025 square kilometers including the arid and semi-
arid areas of the Provinces of Mendoza, Neuquén, La Pampa, Río Negro, Chubut,
Santa Cruz, and Tierra del Fuego, to be designed under the Project.

20. “Pilot Conservation Corridors” means the Chaco Húmedo Pilot Conservation
Corridor, the Chaco Seco Impenetrable Pilot Conservation Corridor.

21. “Process Framework” or “PF” means the Recipient’s framework acceptable to the
World Bank (included in the Operational Manual) published on February 26, 2015,
which defines the restrictions on access to natural resources in the Selected
Protected Areas, Pilot Conservation Corridors and the Patagonia Steppe
Conservation Corridors, identifies and quantifies the impacts of those restrictions,
proposes specific measures to compensate for the loss of assets and associated
income, and puts in place grievance resolution mechanisms in order to resolve the
issues that may arise during the implementation of the Project.

and Non-consulting Services under IBRD Loans and IDA Credits and Grants by
23. "Procurement Plan" means the Recipient's procurement plan for the Project dated February 26, 2015, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

24. "Provinces" means the Recipient's political subdivisions, as per title Two of the Recipient's 1994 Constitution.

25. "REDD" means Reducing Emissions from Deforestation and Forest Degradation, a set of steps designed to use market/financial incentives in order to reduce the emissions of greenhouse gases from deforestation and forest degradation.

26. "Resettlement Policy Framework" or "RPF" means the Recipient's framework (included in the Operational Manual) published on February 26, 2015, acceptable to the World Bank, which sets forth, inter alia, the principles and objectives governing Involuntary Resettlement preparation and implementation, and a description of the applicable legal framework of the Recipient and the process for preparing and approving resettlement plans.

27. "Selected Protected Area" means any of following legally established protected areas: Copo Provincial Park, Punta Buenos Aires Nature Reserve, Patagonia-Austral Coastal-Marine Park and Isla Pingüino Marine Park, and any other area, in addition or substitution therefore, selected and agreed between the Recipient and the World Bank.


29. "SIFAP" means Sistema Federal de Areas Protegidas, the Recipient's Federal System of Protected Areas created pursuant to the terms of the agreement dated March 20, 2003 entered into by the Recipient's Secretariat of Environment and Sustainable Development, APN, and the Federal Council of Environment, on behalf of the Recipient's Provinces.

30. "Signature Date" means the latest of the two dates on which the Recipient and the World Bank signed the Grant Agreement and such definition applies to all references to "the date of the Grant Agreement" in the Standard Conditions.

31. "Subproject Agreement" means the agreement referred to in Section I.D.1 of Schedule 2 to this Agreement.

32. "Subsidiary Agreement" means the agreement referred to in Section I.A.1 of Schedule 2 to this Agreement.
33. "Subproject" means either a Sustainable Use Subproject or a Demonstration Subproject. "Subprojects" means the plural of such term, comprising Sustainable Use Subprojects or Demonstration Subprojects, or both.

34. "Subproject Implementing Entity" means a local community, governmental entity, non-governmental organization, cooperative, producer association, qualified researcher or institution, and/or a qualified community organization that: (i) is active within or in the vicinity of a Selected Protected Area; (ii) meets the eligibility criteria set forth in the Operational Manual; and (iii) is selected to carry out a Subproject in accordance with the provisions of the Operational Manual and Schedule 4 to this Agreement.

35. "Sustainable Use Subprojects" means any small-scale or community development and/or income generation investment/activity under Part 1.B of the Project to be carried out within a Selected Protected Area as well as within the buffer zones bordering such area, which consist of: (i) the provision of technical assistance and technical strengthening activities; (ii) the carrying out of pre-investment activities such as business plans and mapping activities; and/or (iii) direct investments in activities that foster sustainable use of natural resources and sustainable land use; diversification of economic activities; and strengthening of local community organizations, which shall be compatible with the conservation of biodiversity, sustainable development and/or climate change mitigation, all as selected, approved and implemented in accordance with the provisions of the Operational Manual.


