Mr. Juan Bosco Martí Ascencio  
_Titular de la Unidad de Asuntos Internacionales de Hacienda_  
_Secretaría de Hacienda y Crédito Público_  
Insurgentes Sur No. 1971  
Torre III, piso 3  
Colonia Guadalupe Inn  
01020 México, D.F.

Mr. Efrain Villanueva Arcos  
_Director General de Sustentabilidad_  
_Secretaría de Energía_  
Insurgentes Sur 890,  
Col. Del Valle, Del. Benito Juárez  
03100 México, D. F.

Ms. Danielle Pellat Thomé  
_Directora de Organismos Financieros Internacionales_  
_Nacional Financiera, S.N.C._  
Insurgentes Sur 1971  
Edificio Anexo, piso financiero  
01020 México, D.F.

Re: UNITED MEXICAN STATES: Large-Scale Renewable Energy Development Project - (GEF Grant No. TF056781)  
Amendment to the Grant Agreement

Dear Mr. Martí, Mr. Villanueva and Ms. Pellat Thomé,

We refer to the Grant Agreement for the above-captioned Project among the United Mexican States (the “Recipient”), Nacional Financiera, S.N.C. (“NAFIN”) and the International Bank for Reconstruction and Development (the “World Bank”), acting as an Implementing Agency of the Global Environment Facility (the “GEF”), dated October 5, 2006 (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 our discussions on the subject, and in response to a request to amend the Grant Agreement as evidenced by the letter dated March 22, 2012, we are pleased to inform you that the World Bank hereby agrees to amend the Grant Agreement as follows:

1. All references to “Subsidiary Agreement” throughout the Grant Agreement are hereby replaced by “Contrato de Apoyo Financiero No Reembolsable” as appropriate.

2. All references to “CFE” throughout the Grant Agreement are hereby replaced by “Project Implementing Entity” as appropriate.
3. The phrases "NAFIN" and "through NAFIN" are deleted, as appropriate, in the Sections 2.01, 2.02 and 3.02 of the Grant Agreement, and in Sections I.B.1, I.B.2 and IV.A.3 (c) of Schedule 2 to the Grant Agreement.

4. The phrase "through SENER" is included as appropriate in the Sections 2.01 (ii), 2.02, 4.01 (a), 5.02 (a) and in Sections I.B.3 and II.B.3 of Schedule 2 to the Grant Agreement.

5. The phrase "referred to in Section 6.03 of the Standard Conditions" is included as appropriate in the Section 6.03.

6. Schedule 1 (Project Description) to the Grant Agreement is hereby amended as follows:

   6.1. The first paragraph is hereby amended to read in its entirety as follows:

   "The objective of the Project is to assist the Recipient in developing initial experience in commercially-based grid-connected renewable energy applications by supporting construction of an approximately 101 MW IPP wind farm, while building institutional capacity to value, acquire, and manage such resources on a replicable basis."

   6.2. Part 1 (a) is hereby amended to read in its entirety as follows:

   "(a) The financial mechanism will be managed by the Project Implementing Entity. The tariff price support payment will be made by the Project Implementing Entity directly to the Project Company pursuant to a Power Purchase Agreement and upon receiving satisfactory evidence verifying that the Project Company has delivered wind energy to the grid, all as further detailed in the Power Purchase Agreement."

   6.3. The phrase "SENER-UPI's" is substituted by "SENER's" in Part 2 (c) (ii).

7. Schedule 2 (Project Execution) to the Grant Agreement is hereby amended as follows:

   7.1. Section I.A is hereby amended to read in its entirety as follows:

   "1. The Recipient, through SENER, shall, enter into a contract (Contrato de Apoyo Financiero No Reembolsable) with NAFIN and the Project Implementing Entity, satisfactory to the World Bank, whereby inter alia, to:

   (a) NAFIN agrees to act as financial agent of the Recipient with regard to the Grant, meaning that, inter alia, NAFIN agrees to represent the Recipient vis-à-vis the Bank for purposes of submitting withdrawal applications to the World Bank in form and substance sufficient to justify disbursement by the World Bank to the Recipient of Grant proceeds and maintain and operate a designated account in compliance with the terms of the instructions deferred to in Section IV.A.1 of this Schedule;

   (b) SENER shall have the right to, in case of fraud or corruption (as defined in the Anti-Corruption Guidelines) provide for the early termination of the Contrato de Apoyo Financiero No Reembolsable or temporarily suspend its effects and/or require the restitution of the funds transferred to NAFIN and the Project Implementing Entity in relation to the Project;"
(c) NAFIN shall have the right to, in case of fraud of corruption (as defined in the Anti-Corruption Guidelines) provide for the early termination of the Contrato de Apoyo Financiero No Reembolsable or temporarily suspend its effects and/or require the restitution of the funds transferred to SENER and the Project Implementing Entity under said Contrato de Apoyo Financiero No Reembolsable; and

(d) the Project Implementing Entity agrees to carry out its Respective Part of the Project and to comply in a timely manner with all of its obligations under the Contrato de Apoyo Financiero No Reembolsable.

2. The Recipient, through SENER, and the Project Implementing Entity agree to cooperate fully with NAFIN to ensure that NAFIN is able to comply with all of its obligations under the Contrato de Apoyo Financiero No Reembolsable.

3. The Recipient, through SENER, NAFIN and the Project Implementing Entity shall exercise their respective rights under the Contrato de Apoyo Financiero No Reembolsable in such manner as to protect the interests of the Recipient and the World Bank to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, neither NAFIN nor the Recipient, through SENER, nor the Project Implementing Entity shall assign, amend, abrogate or waive the Contrato de Apoyo Financiero No Reembolsable or any of its provisions.”

7.2. Section I.B.1 is amended as follows: (i) the phrase “Subsidiary Agreement and the” is deleted, as appropriate, in numeral (e); and (ii) the following text is added as numeral (f):

“(f) clear and well-defined roles and responsibilities, as applicable, of, inter alia: (i) CFE; (ii) FTE; (iii) NAFIN; (iv) SENER; in order to carry out the Project.”

7.3. Section I.B.4 is hereby amended to read in its entirety as follows:

“4. The Recipient, through SENER, shall designate (and thereafter maintain during the execution of the Project) the unit (within the Dirección General de Sustentabilidad) responsible for the coordination and management of the Project, such unit to have a structure and functions satisfactory to the World Bank, and to have qualified staff (including a procurement specialist and a financial management specialist) in adequate numbers as required to carry out its responsibilities.”

7.4. Section I.C is included to read in its entirety as follows:

“C. Anti-Corruption

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

7.5. The phrase “one month” is substituted by “forty-five (45) days” in Section II.A.1.
7.6. Sections II.B.1 and II.B.3 are hereby amended to read in its entirety as follows:

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

“3. The Recipient, through SENER, shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each 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.”

7.7. The table in Section III.B.2 is hereby amended to read in its entirety as follows:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Project Implementing Entity’s International</td>
</tr>
<tr>
<td>Competitive Bidding Procedures for purposes of</td>
</tr>
<tr>
<td>procuring the installation and operation of La Venta</td>
</tr>
<tr>
<td>III, to the extent they are acceptable to the World</td>
</tr>
<tr>
<td>Bank</td>
</tr>
<tr>
<td>(b) National Competitive Bidding</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
</tbody>
</table>

7.8. Section III.C.1 is hereby amended to read in its entirety as follows:

“1. Quality- and Cost-based Selection. Except as otherwise provided in the Operational Manual, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.”

The second paragraph of Section III.C.1 is hereby deleted in its entirety.

7.9. The table on Section III.C.2 is hereby amended to read in its entirety as follows:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least Cost Selection: Services for assignments of</td>
</tr>
<tr>
<td>a standard or routine nature where well-established</td>
</tr>
<tr>
<td>practices and standards exist may be procured under</td>
</tr>
<tr>
<td>contracts awarded in accordance with the provisions of</td>
</tr>
<tr>
<td>paragraph 3.6 of the Consultant Guidelines.</td>
</tr>
<tr>
<td>(b) Consultants’ Qualifications: For those assignments</td>
</tr>
<tr>
<td>for which the need for issuing a request for proposal,</td>
</tr>
<tr>
<td>and preparing and evaluating competitive proposals is</td>
</tr>
<tr>
<td>not justified, in accordance with the</td>
</tr>
</tbody>
</table>
paragraph 3.7 of the Consultant Guidelines.

(c) Single Source Selection

(d) Individual Consultants: Services of individual consultants for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 to 5.6 of the Consultant Guidelines.

7.10 Sections IV.A.1 and IV.A.2 are hereby amended to read in their entirety as follows:

1. The Recipient may or may cause NAFIN to 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 3 below.

2. Unless otherwise notified in writing to the Bank by the Recipient’s Representative referred in Section 6.03 of this Agreement, the Recipient’s representative for purposes of taking any action required or permitted to be taken, pursuant to this Section is the Director de Organismos Financieros Internacionales of NAFIN, or any person whom he or she designates in writing.”

8. The following definitions of the Appendix to the Grant Agreement are hereby amended and/or added to read in their entirety as follows:

1. ““Anti-Corruption Guidelines” means the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised in January 2011.”

2. ““Contrato de Apoyo Financiero No Reembolsable” means the contract referred to in Section I.A.1 of Schedule 2 to this Agreement.”


4. ““Dirección General de Sustentabilidad” means the General Directorate for Sustainability, a unit within SENER pursuant to the Reglamento Interior de la Secretaría de Energía published on October 11, 2012.”

5. ““FTE” means Fondo para la Transición Energética y el Aprovechamiento Sustentable de la Energía, the Borrower’s fund for energy transition and the sustainable use of energy, established pursuant to the Borrower’s renewable energy law (Ley para el Aprovechamiento de Energías Renovables y el Financiamiento de la Transición Energética), of November 2008.”

7. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated May 19, 2006, and updated on April 1, 2013, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs."

8. "Project Implementing Entity’s International Competitive Bidding Procedures" means the bidding procedures approved by the World Bank and set forth in the Ley del Servicio Público de Energía Eléctrica, published in the Recipient’s Official Gazette (Diario Oficial de la Federación) on December 22, 1975 and its Reglamento as amended to the date of this Agreement.


10. "Respective Part of the Project" means, with respect to the Project Implementing Entity, Part 1 and Part 2 (a)(i), Part 2 (b), Part 2 (c)(i), Part 2 (c) and (g), and with respect to SENER, Part 2 (a) and (ii), Part 2 (c) and (ii), Part 2 (d) and (f) and Part 3 of Schedule 1 to the Grant Agreement.

11. "SHCP" means the Recipient’s Secretariat of Finance and Public Credit (Secretaría de Hacienda y Crédito Público) and its successors and permitted assigns.

9. The following definitions included in the Appendix to the Grant Agreement are hereby deleted: (i) “Bidding Documents”, (ii) “CFE’s International Competitive Bidding Procedures”, and (iii) “SENER UPI. Consequently, all the definitions are renumbered to maintain alphabetical order.

Consequently, we are including all the above-mentioned changes in Attachment A to this Amendment Letter (the “Amended and Restated Grant Agreement”).

Please confirm your agreement with the foregoing amendment, including its Attachment A, by signing, dating and returning to us this Amendment Letter. Thereafter, all the provisions of the Grant Agreement, except as amended through this Amendment Letter, shall remain in full force and effect. This Amendment Letter shall be executed in four counterparts, each of which shall be an original.
The provisions set forth in this Amendment Letter shall become effective as of the date of the countersignature upon compliance by the Recipient of the following conditions: (i) one fully executed original of this Amendment Letter has been delivered to the World Bank; (ii) evidence that the Operational Manual has been updated in accordance with the provisions of this Amendment Letter and in a manner satisfactory to the World Bank; and (iii) evidence, acceptable to the World Bank, that an amendment to the Contrato de Apoyo Financiero No Reembolsable has been entered into by the parties thereto and is in full effect and a copy of such amendment has been delivered to the Bank.

Upon compliance with the above mentioned conditions, the World Bank will send a notice of effectiveness to the Recipient. In addition, please note that the approved Restructuring Paper dated June 11, 2013 will be disclosed on the Bank's external website.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Gloria M. Granados
Director
Colombia and México
Latin American and the Caribbean Region

AGREED:

UNITED MEXICAN STATES

By: [Signature]
Juan B. Martí Ascencio
Authorized Representative
Title: Titular de la Unidad de Asuntos Internacionales de Hacienda
Secretaria de Hacienda y Crédito Público

Date: 24 de junio de 2013

By: [Signature]
Efrain Villanueva Vargas
Authorized Representative
Title: Director General de Sustentabilidad
Secretaria de Energía

Date: 17 de junio de 2013
AGREED:

NAFIN

By: Danielle Fałat Thomé
Authorized Representative

Title: Directora de Organismos Financieros Internacionales

Date: 13 de junio de 2013
Global Environment Facility
Grant Agreement

(Large-Scale Renewable Energy Development Project)

among

NACIONAL FINANCIERA S.N.C.

and

UNITED MEXICAN STATES

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated October 5, 2006 and amended and restated on June 12, 2013
GEF TRUST FUND GRANT NUMBER TF056781

GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT ("Grant Agreement") dated October 5, 2006, and amended and restated on June 12, 2013, entered into among:

UNITED MEXICAN STATES (the "Recipient"), acting through its signatories of this Agreement (including SECRETARIA DE ENERGIA (SENER), acting as the Recipient’s executing agency for purposes of the Grant); NACIONAL FINANCIERA, S.N.C. ("NAFIN"), acting as the Recipient’s financial agent for purposes of the Grant; and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF"). The Recipient, NAFIN and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end:

(i) the Recipient, through SENER, shall coordinate the execution of the Project as a whole and carry out its Respective Part of the Project in accordance with the provisions of the Contrato de Apoyo Financiero No Reembolsable; and

(ii) the Recipient, through SENER, shall cause the Project Implementing Entity to carry out its Respective Part of the Project in accordance with the provisions of the Project Agreement and the Contrato de Apoyo Financiero No Reembolsable and shall not take or permit to be taken any action which would prevent or interfere with such performance;

all with the assistance of all relevant federal agencies and in accordance with the provisions of Article II of the Standard Conditions and with due regard to the mandates of UNFCCC and the Kyoto Protocol and the relevant decisions adopted by UNFCCC.
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, through SENER, 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 twenty five million Dollars (USD 25,000,000) ("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.

Article IV
Remedies of the World Bank

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

(a) The Recipient, through SENER, has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement.

(b) The Project Implementing Entity has failed to perform any obligation under the Project Agreement and/or the Contrato de Apoyo Financiero No Reembolsable.

(c) NAFIN has failed to perform any obligation under the Contrato de Apoyo Financiero No Reembolsable.

(d) IBRD or IDA has declared the Project Implementing Entity ineligible to be awarded a contract financed by IBRD or IDA.

(e) As a result of events which have occurred after the date of the Grant Agreement an extraordinary situation has arisen which makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement or Contrato de Apoyo Financiero No Reembolsable.

(f) A representation made by the Project Implementing Entity in or pursuant to the Project Agreement, or any representation or statement furnished by the Project Implementing Entity and intended to be relied upon by the World Bank in making the Grant, was incorrect in any material respect.

(g) The Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
(h) The World Bank has determined after the Effective Date that prior to such date but after the date of the Grant Agreement, 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 the Grant Agreement had been effective on the date such event occurred.

(i) The Project Company has failed to design, construct, operate and maintain La Venta III in accordance with the Environmental and Social Impact Assessment and the Environmental and Social Management Plan or SEMARNAT has suspended or revoked any environmental permits granted by SEMARNAT for the La Venta III Project.

Article V
Effectiveness; Termination

5.01. The Grant 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: (i) the Grant Agreement on behalf of the Recipient and NAFIN; and (ii) the Project Agreement on behalf of the Project Implementing Entity have all been duly authorized or ratified by all necessary governmental and corporate action.

(b) If the World Bank so requests, the condition of NAFIN and the Project Implementing Entity, as represented or warranted to the World Bank at the date of the Grant Agreement and the Project Agreement, has undergone no material adverse change after such date.

(c) Each other condition specified below has occurred:

   (i) the Contrato de Apoyo Financiero No Reembolsable has been executed on behalf of the Recipient, through SENER, NAFIN and the Project Implementing Entity;

   (ii) the Operational Manual has been issued and put into effect; and

   (iii) the Environmental Safeguards Manual and the Social Safeguards Manual has been issued and put into effect.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a) and (c) (i) above, there shall be furnished to the World Bank an opinion or opinions 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, through SENER, showing the following matters:
(a) on behalf of the Recipient, through SENER, and NAFIN, that the Grant Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms;

(b) on behalf of the Project Implementing Entity, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

(c) the Contrato de Apoyo Financiero No Reembolsable has been duly authorized or ratified by the Recipient, through SENER, NAFIN and the Project Implementing Entity and is legally binding upon the Recipient, through SENER, NAFIN and the Project Implementing Entity in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, the Grant 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 the Grant Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this subparagraph until such event (or events) has (or have) ceased to exist.

5.04. The Grant Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section which later date typically may not extend more than eighteen (18) months after June 29, 2006 in which the World Bank approved the Grant. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Representatives; Addresses

6.01. NAFIN’s representative is its Director de Organismos Financieros Internacionales.

6.02. NAFIN’s Address is:
Nacional Financiera, S.N.C.
Dirección de Organismos Financieros Internacionales
Plaza Inn, Insurgentes Sur 1971
Edificio Anexo, Piso Financiero
01020 México, D. F.

6.03. The Recipient’s Representative referred to in Section 6.03 of the Standard Conditions is its Titular de la Unidad de Asuntos Internacionales de Hacienda of SHCP.
6.04. The Recipient’s Addresses are:

Secretaría de Hacienda y Crédito Público
Unidad de Asuntos Internacionales de Hacienda
Insurgentes Sur 1971
Torre III, tercer piso
Colonia Guadalupe Inn
01020 México, D.F.

Secretaría de Energía
Insurgentes Sur 890,
Col. Del Valle, Del. Benito Juárez
03100 México, D. F.
Facsimile: 011-52 555000-6184/6223

6.05. 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

Cable: INTBAFRAD
Telex: INDEVAS 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Mexico City, Mexico, as of the day and year first above written.

UNITED MEXICAN STATES

By /S/ Authorized Representative

Secretaria de Hacienda y Crédito Público

NACIONAL FINANCIERA, S.N.C.

By /S/ Authorized Representative

Secretaria de Energía

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

By /S/ Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in developing initial experience in commercially-based grid-connected renewable energy applications by supporting construction of an approximately 101 MW IPP wind farm, while building institutional capacity to value, acquire, and manage such resources on a replicable basis.

The Project consists of the following parts:

Part 1: Financial Mechanism: Creating a mechanism for the provision of a GEF subsidy in the form of tariff price support to be paid to the successful bidder (the “Project Company”) of the international competitive IPP solicitation carried out by the Project Implementing Entity for the La Venta III Project, which mechanism shall have the following characteristics:

(a) The financial mechanism will be managed by the Project Implementing Entity. The tariff price support payment will be made by the Project Implementing Entity directly to the Project Company pursuant to a Power Purchase Agreement and upon receiving satisfactory evidence verifying that the Project Company has delivered wind energy to the grid, all as further detailed in the Power Purchase Agreement.

(b) The tariff price support will be applied as an additional fixed amount subsidy payment towards the purchase by the Project Implementing Entity from the Project Company of output power of the La Venta III wind farm for a period of five consecutive years from the actual commercial operation start-up date. The tariff price support shall be determined as a fixed amount not to exceed 1.1 United States cents equivalent per KWh regardless of the contract price resulting from the international competitive bidding carried out by the Project Implementing Entity.

The design and guidelines for the operation of the financial mechanism are incorporated in the Operational Manual.

Part 2: Technical Assistance

(a) Supporting system-based least cost determination by:

(i) Developing operational guidelines which shall incorporate methodologies to interpret the Recipient’s least cost power acquisition constitutional mandate and carrying out a study to assess the value of energy diversification;

(ii) developing operational guidelines which shall incorporate methodologies for the valuation of local and regional environmental and other externalities in power system resource valuation, planning and dispatch;

(iii) carrying out workshops and study tours to facilitate the exchange of experiences between the Project Implementing Entity and international electric utilities and research institutions on models and tools to analyze the value and emissions impact of intermittent renewable energy sources; and
(iv) providing technical assistance to analyze the impacts on system expansion of renewable sources and regular estimation of system marginal costs in order to develop reference prices for acquisition of renewable energy.

(b) Integrating renewable energy in the Project Implementing Entity’s system operations by:

(i) acquiring and installing software capabilities within CENACE (and providing the associated training) to support CENACE’s decision-making process to dispatch intermittent facilities independently or in combination with non-intermittent resources;

(ii) acquiring and installing day-ahead wind forecast models (and providing the associated training) to optimize dispatch; and

(iii) Carrying out studies on load flow analysis and system stability.

(c) Supporting project and business development by:

(i) developing standardized protocols and contract forms to be used by the Project Implementing Entity for the purchase of renewably generated power; and

(ii) strengthening SENER’s capacity to serve as the one-stop shop for business development services for renewable energy project developers by: (A) training SENER’s staff in marketing, technical aspects, regulatory framework, permitting, environmental and social impacts; and (B) increasing information, outreach and transaction support capacity by developing a website and other appropriate databases, as well as marketing documents for the development of renewable energy projects in Mexico.

(d) Supporting tradable permit systems for green power and renewable energy by: carrying out studies to investigate the feasibility of cross-border trade of tradable renewable energy credits and developing a framework for trading activities that could be implemented in the future.

(e) Providing technical assistance to assess the wind potential in Mexico by:

(i) Developing a national wind map based on available measurements and remote sensing data; and

(ii) Installing anemometers and measurement systems in areas of good wind potential throughout Mexico.

(f) Developing a regional long-term wind development plan for the areas of high wind potential in the south of the Isthmus of Tehuantepec, State of Oaxaca, which shall incorporate the findings of the strategic environmental assessment defined in paragraph (g) below. The plan shall identify social impacts, existing land use regulations, transmission constraints and industrial development.
(g) Preparing the strategic environmental assessment for the areas of high wind potential in the south of the Isthmus of Tehuantepec, State of Oaxaca identifying the appropriate level of wind energy development which an area is able to support without producing significant environmental damage, as well as those areas which are unsuitable and should be considered ineligible for wind development.

Part 3: Project Management

(a) Strengthening SENER’s management capacities by hiring a project manager, procurement assistant and as required, a renewable energy expert.

(b) Strengthening SENER’s capacity by hiring specialized consultants to conduct social, environmental and monitoring and evaluation assessments.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. *Contrato de Apoyo Financiero No Reembolsable.*

1. The Recipient, through SENER, shall enter into a contract (*Contrato de Apoyo Financiero No Reembolsable*) with NAFIN and the Project Implementing Entity, satisfactory to the World Bank, whereby *inter alia*:

   (a) NAFIN agrees to act as financial agent of the Recipient with regard to the Grant, meaning that, *inter alia*, NAFIN agrees to represent the Recipient vis-à-vis the Bank for purposes of submitting withdrawal applications to the World Bank in form and substance sufficient to justify disbursement by the World Bank to the Recipient of Grant proceeds and maintain and operate a designated account in compliance with the terms of the instructions deferred to in Section IV.A.1 of this Schedule;

   (b) SENER shall have the right to, in case of fraud or corruption (as defined in the Anti-Corruption Guidelines) provide for the early termination of the *Contrato de Apoyo Financiero No Reembolsable* or temporarily suspend its effects and/or require the restitution of the funds transferred to NAFIN and the Project Implementing Entity in relation to the Project;

   (c) NAFIN shall have the right to, in case of fraud of corruption (as defined in the Anti-Corruption Guidelines) provide for the early termination of the *Contrato de Apoyo Financiero No Reembolsable* or temporarily suspend its effects and/or require the restitution of the funds transferred to SENER and the Project Implementing Entity under said *Contrato de Apoyo Financiero No Reembolsable*; and

   (d) the Project Implementing Entity agrees to carry out its Respective Part of the Project and to comply in a timely manner with all of its obligations under the *Contrato de Apoyo Financiero No Reembolsable*.

2. The Recipient, through SENER, and the Project Implementing Entity agree to cooperate fully with NAFIN to ensure that NAFIN is able to comply with all of its obligations under the *Contrato de Apoyo Financiero No Reembolsable*.

3. The Recipient, through SENER, NAFIN, and the Project Implementing Entity shall exercise their respective rights under the *Contrato de Apoyo Financiero No Reembolsable* in such manner as to protect the interests of the Recipient and the World Bank to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, neither NAFIN nor the Recipient, through SENER, nor the Project Implementing Entity shall assign, amend, abrogate or waive the *Contrato de Apoyo Financiero No Reembolsable* or any of its provisions.
B. Other.

1. The Recipient, through SENER, shall carry out the Project in accordance with an operational manual satisfactory to the World Bank (the Operational Manual), such manual to include, inter alia:

(a) The procedures for the carrying out, monitoring and evaluation of the Project (including the procurement requirements thereof);

(b) A detailed description of all aspects of Project financial management;

(c) The rules and procedures for the operation of the financial mechanism referred to in Part 1 of the Project;

(d) The requirements and conditions that need to be satisfied (including the delivery of adequate certificates) to make payments to the Project Company;

(e) Model forms of the Power Purchase Agreement; and

(f) clear and well defined roles and responsibilities, as applicable, of inter alia: (i) CFE; (ii) FTE; (iii) NAFIN; and (iv) SENER; in order to carry out the Project.

2. The Recipient, through SENER, shall ensure that the Project is carried out in accordance with environmental and social safeguards manuals satisfactory to the World Bank (the Environmental Safeguards Manual and the Social Safeguards Manual), such manuals to include, inter alia:

(a) The principles, criteria and procedures for carrying out environmental and social impact assessments and preparing environmental and social management plans for wind energy projects;

(b) Specific requirements for avoiding and minimizing wildlife impacts from wind turbines in compliance with the applicable environmental and social requirements of the government of Mexico and the local authorities and relevant World Bank policies; and

(c) The specific mitigation and monitoring requirements and recommendations for La Venta III.

3. Except as the World Bank shall otherwise agree, the Recipient, through SENER, shall not amend, waive or fail to enforce the Operational Manual, the Environmental Safeguards Manual and the Social Safeguards Manual or any provision thereof. In case of any conflict between the provisions of this Agreement and the Operational Manual or this Agreement and the Environmental Safeguards Manual and the Social Safeguards Manual, the provisions of this Agreement shall prevail. In case of any conflict between the provisions of the Operational Manual and the Environmental Safeguards Manual and the Social Safeguards Manual, the Environmental Safeguards Manual shall prevail.
4. The Recipient, through SENER, shall designate (and thereafter maintain during the execution of the Project) the unit (within the Dirección General de Sustentabilidad) responsible for the coordination and management of the Project, such unit to have a structure and functions satisfactory to the World Bank, and to have qualified staff (including a procurement specialist and a financial management specialist) in adequate numbers as required to carry out its responsibilities.

C. Anti-Corruption

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

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports.

1. (a) The Recipient, through SENER, 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 the performance indicators set forth below in subparagraph (d) of this paragraph. 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) Each Project Report shall also include: (i) the financial reports referred to in Section II.B.2 below; (ii) a physical progress report; and (iii) procurement reports, all in accordance with the formats agreed with the World Bank.

(c) The Recipient, through SENER, shall monitor and evaluate the progress of the Project and prepare a mid-term report not later than fifteen (15) months after the Effective Date, which shall cover among other things:

(i) progress in meeting the Project’s objectives; and

(ii) overall performance measured against the performance indicators set forth in subparagraph (d) below.

(d) The performance indicators referred to above in sub-paragraphs (a) and (c) herein consist of the following:

(i) increase of total amount per year of electricity supplied from renewable energy to the national system;

(ii) increase of total installed renewable energy generation capacity;

(iii) reduction of emissions such as CO2, NOx, SOx and particulates;

(iv) removal of policy and tariff barriers and definition of a clear policy, contractual and market framework for acquiring renewably generated power by the Project Implementing Entity;
(v) adoption of the Agreed Methodology for properly valuing renewable energy additions to the Project Implementing Entity system;

(vi) decline in the need for subsidies for renewable energy projects; and

(vii) successful avoidance of significant turbine-associated bird and bat mortality.

2. For purposes of Section 2.06 (d) of the Standard Conditions, the Recipient’s Completion Report shall be furnished to the World Bank not later than June 30, 2014.

B. **Financial Management, Financial Reports and Audits.**

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

2. Without limitation on the provisions of Part A of this Section, the Recipient, through SENER, shall prepare and furnish to the World Bank as part of the Project Report interim unaudited financial reports covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient, through SENER, shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each 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.

Section III. **Procurement**

A. **General.**

1. **Goods and Works.** All goods and works (including non-consultant services) required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Schedule.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Schedule.

3. **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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.
B. **Particular Methods of Procurement of Goods and Works (including Non-Consultant Services)**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works (including non-consultant services) shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works (including non-consultant services). The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Project Implementing Entity's International Competitive Bidding Procedures</td>
</tr>
<tr>
<td>for purposes of procuring the installation and operation of La Venta III, to the</td>
</tr>
<tr>
<td>extent they are acceptable to the World Bank</td>
</tr>
<tr>
<td>(b) National Competitive Bidding</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in the Operational Manual, 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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least Cost Selection: Services for assignments of a standard or routine nature</td>
</tr>
<tr>
<td>where well-established practices and standards exist may be procured under</td>
</tr>
<tr>
<td>contracts awarded in accordance with the provisions of paragraph 3.6 of the</td>
</tr>
<tr>
<td>Consultant Guidelines</td>
</tr>
</tbody>
</table>
(b) **Consultants’ Qualifications**: For those assignments for which the need for issuing a request for proposal, and preparing and evaluating competitive proposals is not justified, in accordance with the paragraph 3.7 of the Consultant Guidelines

(c) **Single Source Selection**

(d) **Individual Consultants**: Services of individual consultants for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 to 5.6 of the Consultant Guidelines

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**D. Review by the World Bank of Procurement Decisions**

1. 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.

**E. Special Provisions**

1. In addition and without limitation or restriction to any other provisions set forth in this Section or the Procurement Guidelines, the following provisions shall govern:

   (a) the Project Implementing Entity shall use Bidding Documents satisfactory to the World Bank;

   (b) the invitation to bid for each contract shall be advertised in the Recipient’s public electronic advertising and bidding system (COMPRANET) and in the Recipient’s Official Gazette (*Diario Oficial de la Federación*).

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**Section IV. Withdrawal of the Proceeds of the Grant**

**A. General.**

1. The Recipient may or may cause NAFIN to 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 3 below.

2. Unless otherwise notified in writing to the Bank by the Recipient’s Representative referred in Section 6.03 of this Agreement, the Recipient’s representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the **Director de Organismos Financieros Internacionales** of NAFIN, or any person whom he or she designates in writing.
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) Subsidy under Part 1 of the Project</td>
<td>20,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods under Part 2 (e) (ii) of the Project</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services (not including those considered to be Training and Operating Expenses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) for the Project Implementing Entity under Part 2 (a) (iii) and (iv), Part 2 (b), Part 2(c)(i) and Part 2(e) and (g) of the Project;</td>
<td>1,950,000</td>
<td>100%</td>
</tr>
<tr>
<td>(B) for SENER under Part 2(a)(i) and (ii), Part 2 (c) (ii), Part 2 (d) and (f), Part 3 (a) and (b) of the Project</td>
<td>1,850,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Non-consultant services, including Training and Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) for the Project Implementing Entity under Part 2 (a) (iii) of the Project;</td>
<td>100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(B) for SENER under and Part 2 (c)(ii)(A) and Part 3 (a) of the Project</td>
<td>200,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
TOTAL AMOUNT | 25,000,000

For the purposes of this Schedule:

(a) the term “Operating Expenses” includes reasonable recurrent expenditures incurred by the Recipient, through SENER, and the Project Implementing Entity for rentals, maintenance, consumable materials, supplies and utilities (but excluding any salaries or personnel benefits), which would not have been incurred absent the Project;

(b) the term “Training” includes only: (i) fees of consultants employed as trainers; (ii) reasonable travel, room, board and per diem expenditures incurred by trainees in connection with their training; (iii) course fees charged by academic institutions; (iv) training facility rentals; (v) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph; and

(c) the term “Subsidy” means the tariff price support amounts (equal to no more than 1.1 United States cents per KWh) payable under the Power Purchase Agreement to the Project Company by the Project Implementing Entity for the delivery of wind energy to the grid under Part 1 of the Project, (which amounts represent part of the contracted cost for installation and operation of La Venta III).

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, except that withdrawals up to an aggregate amount not to exceed two million five hundred thousand Dollars (USD2,500,000) equivalent may be made for payments made prior to this date but on or after May 15, 2006, for Eligible Expenditures under Categories (2), (3) and (4);

(b) for payments covered by Category (1) above for the Subsidy unless: (i) the Project Implementing Entity or the Project Company (as the case may be) shall have entered into the relevant lease agreements with the owners of the land where the La Venta III will be located; (ii) the Ejido Assembly has approved the Ejido Lease Agreements; (iii) the Power Purchase Agreement is in form and substance satisfactory to the World Bank; and (iv) the Environmental and Social Impact Assessment and the Environmental and Social Management Plan have been approved by an independent party with qualifications and experience acceptable to the World Bank;

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2014.
APPENDIX

Section I. Definitions


2. “Agreed Methodology” means the methodology for properly valuing renewable energy additions to the Project Implementing Entity’s system which recognizes: (i) full system short-run marginal cost; (ii) an estimate of the adjusted capacity contribution of the wind resources; and (iii) the energy portfolio diversification value.


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

5. “CENACE” means the Recipient’s National Dispatch Center (Centro Nacional de Control de Energía), the dispatch arm unit within the Project Implementing Entity established pursuant to the Reglamento de Despacho y Operación del Sistema Eléctrico Nacional and its successors and permitted assigns.

6. “CFE” means the Recipient’s Federal Commission of Electricity (Comisión Federal de Electricidad), a decentralized public statutory corporation established pursuant to the Estatuto Orgánico de la Comisión Federal de Electricidad, with its principal office located in Distrito Federal, Mexico and its successors and permitted assigns.


8. “Contrato de Apoyo Financiero No Reembolsable” means the contract referred to in Section I.A.1 of Schedule 2 to this Agreement.


10. “Effective Date” means the date referred to in Section 5.03 of this Agreement.

11. “Ejido” means the population of ejidos as described in Article 9 of the Agrarian Law.

12. “Ejido Assembly” means the assembly of the Ejido land owners and the maximum government authority for the ejido land owners as set forth in Article 22 of the Agrarian Law”.

13. “Ejido Lease Agreements” means the group of contracts (if any) entered into between the Project Implementing Entity or the Project Company (as the case may be) and relevant Ejido land owners setting the terms and conditions for the use of the land where the La
Venta III will be constructed (if the La Venta III is constructed in Ejido land) including any additional land and easements needed to carry out transportation, storage or any other construction activities related to the La Venta III.

14. "Environmental and Social Impact Assessment" means the environmental and social impact assessment prepared for La Venta III by the Project Implementing Entity or the Project Company (as the case may be) pursuant to the Environmental Safeguards Manual and the Social Safeguards Manual.

15. "Environmental and Social Management Plan" means the environmental management plan prepared for La Venta III by the Project Implementing Entity or the Project Company (as the case may be) pursuant to the Environmental Safeguards Manual and the Social Safeguards Manual, which shall include: (1) a set of mitigation, monitoring and institutional measures to be taken during implementation and operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels; and (2) the actions needed to implement these measures, as said plan may be revised from time to time with the agreement of the World Bank.

16. "Environmental Safeguards Manual" means the environmental safeguards manual referred to in Section I.B.2 of Schedule 2 to this Agreement.

17. "FTE" means Fondo para la Transición Energética y el Aprovechamiento Sustentable de la Energía, the Borrower’s fund for energy transition and the sustainable use of energy, established pursuant to the Borrower’s renewable energy law (Ley para el Aprovechamiento de Energías Renovables y el Financiamiento de la Transición Energética), of November 2008.

18. "IBRD" means International Bank for Reconstruction and Development as defined in Section 1.01 of the Standard Conditions.

19. "IDA" means International Development Association as defined in Section 1.01 of the Standard Conditions.

20. "INECOL" means the Ecology Institute (Instituto de Ecología A.C.), a civil association organized and existing pursuant to Article 2670 of the Federal Civil Code of the United Mexican States.

21. "IPP" means independent power producer.

22. "KWh" means Kilowatt-hour.

23. "Kyoto Protocol" means the protocol within the framework of the UNFCCC (as hereinafter defined), adopted by several world’s nations 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.

24. "La Venta III Project" or "La Venta III" is the approximately 101 MW wind energy farm (and its associated interconnection system) to be designed, constructed, operated and maintained by the Project Company in the Optional Site or the Proposed Site (as the case may be) in the municipality of Juchitán de Zaragoza, in the state of Oaxaca, Mexico,
whether completed or at any stage of construction.


26. “NAFIN” means Nacional Financiera, S.N.C., a Mexican development bank serving as financial agent of the Recipient for the purposes of the Grant.

27. “Operational Manual” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement.

28. “Optional Site” means the land, spaces, waterways, roads, water wells and any rights (including leases) acquired or to be acquired by the Project Implementing Entity for the purposes of La Venta III on, through, above or below the ground on which all or on any part of La Venta III is to be built including any working areas required by the Project Implementing Entity, where applicable.

29. “Power Purchase Agreement” means the agreement to be entered into by the Project Implementing Entity and the Project Company as referred to in Section 1.5 of the Schedule of the Project Agreement.


31. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 19, 2006, and updated on April 1, 2013, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

32. “Project Agreement” means the agreement between the Project Implementing Entity and the World Bank, of even date herewith, as the same may be amended from time to time.

33. “Project Company” means a private international wind developer that is the successful bidder of the international competitive bidding carried out by the Project Implementing Entity for the La Venta III Project.

34. “Project Implementing Entity” means CFE.

35. “Project Implementing Entity’s International Competitive Bidding Procedures” means the bidding procedures approved by the World Bank and set forth in the Ley del Servicio Público de Energía Eléctrica, published in the Recipient’s Official Gazette (Diario Oficial de la Federación) on December 22, 1975 and its Reglamento as amended to the date of this Agreement.

37. "Proposed Site" means the land, spaces, waterways, roads, water wells and any rights (including leases) acquired or to be acquired by the Project Company for the purposes of the La Venta III Project on, through, above or below the ground on which all or on any part of La Venta III Project is to be built including any working areas required by the successful bidder, where applicable.

38. "Regional Environmental Assessment" means the regional environmental assessment to be prepared by the Project Implementing Entity prior to issuing the invitation to bid for La Venta III identifying all the areas within the Polígono La Venta of the Optional Site which would be ineligible for wind farm development.

39. "Respective Part of the Project;" means, with respect to the Project Implementing Entity, Part 1 and Part 2 (a)(iii) and (iv), Part 2(b), Part 2(c)(i), Part 2 (e) and (g), and with respect to SENER, Part 2 (a) (i) and (ii), Part 2 (c)(ii), Part 2 (d) and (f) and Part 3 of Schedule 1 to the Grant Agreement.

40. "SEMARNAT" means the Recipient's Environment and Natural Resources Secretariat (Secretaría de Medio Ambiente y Recursos Naturales) and its successors and permitted assigns.

41. "SENER" means the Recipient's Secretariat of Energy (Secretaría de Energía) and its successors and permitted assigns.

42. "SHCP" means the Recipient's Secretariat of Finance and Public Credit (Secretaría de Hacienda y Crédito Público) and its successors and permitted assigns.

43. "Social Safeguards Manual" means the social safeguards manual referred to in Section I.B.2 of Schedule 2 to this Agreement.
