Global Environment Facility
Trust Fund Grant Agreement
(National Biodiversity Mainstreaming and Institutional Consolidation Project)

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

and

CAIXA ECONÔMICA FEDERAL

and

FUNDO BRASILEIRO PARA BIODIVERSIDADE – FUNBIO

Dated March 14, 2008
GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT dated March 14, 2008, entered into among:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF"); and

CAIXA ECONOMICA FEDERAL ("CAIXA", a Recipient of part of the hereinbelow defined Grant); and

FUNDO BRASILEIRO PARA BIODIVERSIDADE ("FUNBIO", a Recipient of the rest of the hereinbelow defined Grant).

The World Bank, on the one hand, and CAIXA and FUNBIO, on the other hand, as Co-Recipients of the hereinbelow defined Grant hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 20, 2006 ("Standard Conditions"), constitute an integral part of this Agreement.

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

Article II
The Project

2.01. The Co-Recipients declare their commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, CAIXA shall carry out Component 4(c) and shall cause Components 1, 3, 4(a) and 4(b) of the Project to be carried out through CAIXA Cooperation Agreements and FUNBIO shall carry out Component 2 of the Project, all in accordance with the provisions of Article II of the Standard Conditions and with the CBD.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Co-Recipients and the World Bank shall otherwise agree, the Co-Recipients
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 on the terms and conditions set forth or referred to in this Agreement and to assist in financing the Project, a grant in an amount equal to twenty two million United States Dollars ($22,000,000) (“Grant”) for the benefit of the Project Beneficiaries, the Public Sector Sub-beneficiaries and the Private Sector Sub-beneficiaries, to the Co-Recipients.

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

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (i) of the Standard Conditions consist of the following:

(a) The World Bank has declared any Co-Recipient ineligible to be awarded a contract financed by the World Bank.

(b) CAIXA Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of any Co-Recipient to perform any of their obligations under this Agreement.

(c) FUNBIO Articles of Agreement have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of any Co-Recipient to perform any of their obligations under this Agreement.

(d) The Procurement Commission Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of CAIXA to perform any of its obligations under this Agreement.

(e) The Project Coordination Committee Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of any Co-Recipient to perform any of their obligations under this 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 Co-Recipients have been duly authorized or ratified by all necessary governmental and corporate action.

(b) The Project Operational Manual has been adopted by the Co-Recipients in form and substance satisfactory to the World Bank.

(c) The Procurement Commission has been created in form and substance satisfactory to the World Bank.

(d) The Project Coordination Committee has been created in form and substance satisfactory to the World Bank.

(e) The CAIXA Cooperation Agreements have been signed on behalf of CAIXA and the Project Beneficiaries in form and substance satisfactory to the World Bank.

(f) The FUNBIO Cooperation Agreement between FUNBIO and MMA has been signed on behalf of FUNBIO and MMA in form and substance satisfactory to the World Bank.

(g) If the World Bank so requests, the condition of the Co-Recipients, as represented or warranted to the World Bank at the date of this Agreement, has undergone no material adverse change after such date.

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

(a) on behalf of the Co-Recipients, that this Agreement has been duly authorized or ratified by, and executed and delivered on their behalf and is legally binding upon them in accordance with its terms; and

(b) on behalf of CAIXA, FUNBIO and the Project Beneficiaries, that their respective Cooperation Agreements have been duly authorized or ratified by, and signed and delivered on their behalf and are legally binding upon them in accordance with their terms.
5.03. Except as the Co-Recipients and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Co-Recipients notice of its acceptance of the evidence required pursuant to Section 5.01 of this Agreement (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Co-Recipients to make withdrawals from the Grant Account, if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 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. The World Bank shall promptly notify the Co-Recipients of such later date.

**Article VI**

**Co-Recipients’ Representative; Addresses**

6.01. The Co-Recipients’ Representatives referred to in Section 7.02 of the Standard Conditions are the President of CAIXA and the General Secretary of FUNBIO, respectively for CAIXA and FUNBIO.

6.02. The Co-Recipients Addresses referred to in Section 7.01 of the Standard Conditions are:

CAIXA ECONOMICA FEDERAL - CAIXA  
Presidência – 21º andar  
Setor Bancário Sul, Quadra 4, Lotes 3/4  
Brasília, DF, 70092-900  
Brazil

Facsimile:  
(55 – 61) 32 06 97 32

FUNDO BRASILEIRO PARA BIODIVERSIDADE - FUNBIO  
Largo do IBAM, 1, 6º andar  
Humaitá  
Rio de Janeiro, RJ, 22271-070  
Brazil

Facsimile:  
(55 – 61) 21 23 53 54
With copy to:

SEAIN - Secretaria de Assuntos Internacionais do Ministério do Planejamento, Orçamento e Gestão
Esplanada dos Ministérios - Bloco K - 5º andar
Brasília, DF, 70040-906
Brazil

Facsimile:
(55 – 61) 32 25 40 22

And with copy to:

MMA – Secretaria de Biodiversidade e Florestas
Esplanada dos Ministérios, Bloco B, 7º andar
Brasília, DF, 70068-901
Brazil

Facsimile:
(55 – 61) 40 09 12 13

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 1-202-477-6391
Facsimile: 64145 (MCI)
AGREED at Brasília, Federative Republic of Brazil, as of the day and year first above written.

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

By/s/ John Briscoe
Authorized Representative

CAIXA ECONÔMICA FEDERAL – CAIXA

By/s/ Maria Fernanda Ramos Coelho
Authorized Representative

FUNDO BRASILEIRO PARA BIODIVERSIDADE - FUNBIO

By/s/ Pedro Wilson Leitão Filho
Authorized Representative
SCHEDULE 1

Project Description

The objectives of the Project are to promote mainstreaming of biodiversity at the national level in key public and private sector planning strategies and practices as well as to consolidate and strengthen institutional capacity to produce and disseminate relevant biodiversity information and concepts.

The Project consists of the following Components:

Component 1. Mainstreaming Biodiversity into Selected Public and Economic Sectors

Implement a national biodiversity policy and promote the mainstreaming of biodiversity conservation and sustainable use through public sector pilot activities aimed at supporting relevant stakeholders in different economic sectors and in each Brazilian biome by:

(a) assessing the bottlenecks and alternative solutions for biodiversity mainstreaming in the public sector while building consensus with stakeholders in order to develop sector plans, including a portfolio of activities and instruments, with policy recommendations; and

(b) carrying out on-the-ground pilot activities, including those developed on the basis of recommendations adopted under Component 1(a) above, such as, *inter alia*, incorporation of biodiversity-friendly techniques into agricultural and livestock management practices, sustainable use of native species, sustainable agro-forestry development, and models to manage health risks for native wildlife, in order to draw lessons learned from the practical application of a portfolio of mainstreaming tools that can then inform a future discussion on biodiversity mainstreaming in the Member Country and elsewhere, through: (i) studies and assessments; and (ii) the implementation of public sector subprojects (the Public Sector Sub-projects).

Component 2. Mainstreaming Biodiversity into the Private Sector

Incorporate conservation and sustainable use of biodiversity into key private sector planning strategies and practices through the creation of a fund (the Opportunities Fund) within FUNBIO by:

(a) financing landscape level subprojects (the Private Sector Sub-projects) designed to test the mainstreaming of biodiversity in private productive practices following public policies at the regional level;
(b) building a knowledge base (the Knowledge Base Facility) on high potential areas, financial mechanisms for promoting incorporation of biodiversity guidelines, tested tools and best practice for integrating biodiversity considerations into productive landscape processes and strategies, in order to facilitate the assessment and selection of Private Sector Sub-projects and to support future mainstreaming efforts in the private sector;

(c) creating, managing and sustaining the Opportunities Fund to: (i) support mainstreaming initiatives in the private sector; and (ii) finance integrated landscape based Private Sector Sub-projects, best practice and innovations generated and disseminated through the Knowledge Base Facility; and

(d) supporting FUNBIO to: (i) carry out Project administration, monitoring and evaluation of Component 2 of the Project, through financial management, procurement and audit activities; annual and mid-term reviews; independent assessments; and Project-closing activities; and (ii) ensure adequate information, dissemination and communication strategies through workshops, conferences and special events; coordination and oversight of Component 2 of the Project; and publication and dissemination of information generated by Project activities.

Component 3. Institutional Strengthening and Generation of Biodiversity Information for Policymaking

Promote technical, institutional and organizational capacity in the institutions responsible for developing and implementing biodiversity policy in the Member Country based on the establishment of mechanisms for coordination among these institutions while enhancing the production and exchange of biodiversity information to inform policy decisions and project design in all sectors by:

(a) supporting: (i) institutional strengthening and capacity building for key institutions involved in biodiversity mainstreaming into economic sectors in the Member Country territory; (ii) creation of networks to fill knowledge gaps and practice; and (iii) establishment of a virtual institute (the Brazilian Virtual Institute for Biodiversity) to link existing scientific and academic institutions, create synergies and foster collaboration in mainstreaming biodiversity into the public and private sectors while ensuring access to biodiversity knowledge or identification of knowledge gaps relevant for policymaking and conflict resolution related to mainstreaming biodiversity; and

(b) generating and managing biodiversity information through: (i) technical assistance; and (ii) implementation of Public Sector Sub-projects; all of these by assisting in the creation and/or strengthening of selected thematic specialized centers (the Thematic Specialized Centers for the Conservation of Fauna and Flora), in order to promote the production and exchange of biodiversity information, including through the Brazilian Virtual Institute for Biodiversity, relevant for policymaking and CBD compliance while offering training on biodiversity to institutions from different economic sectors.
sectors where biodiversity has not previously been a priority or where identified capacity gaps hinder effective work to mainstream biodiversity considerations into sector policies and programs.

**Component 4. Project Coordination and Management**

Support efficient and effective implementation, supervision, coordination and administration of the Project by:

(a) carrying out Project technical administration, monitoring and evaluation through: (i) procurement; (ii) annual and mid-term reviews; (iii) independent assessments; and (iv) technical Project-closing activities;

(b) ensuring adequate information, dissemination and communication strategies through: (i) workshops, conferences and special events; (ii) Project coordination and oversight; and (iii) publication and dissemination of information generated by Project activities; and

(c) carrying out Project financial administration, through: (i) financial management and audit activities; and (ii) financial Project-closing activities.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. CAIXA shall carry out Component 4(c) of the Project and cause the Project Beneficiaries to carry out Components 1, 3, 4(a) and 4(b) of the Project and FUNBIO shall carry out Component 2 of the Project, all in accordance with the Project Operational Manual, including the Environmental Assessment and the Procurement Plans, and except as the World Bank shall otherwise agree, shall not amend or waive any provision of these documents without the World Bank’s prior written approval. In case of any conflict between the terms of said documents and those of this Agreement, the terms of this Agreement shall prevail.

2. CAIXA shall ensure that, until the completion of the execution of the Project, and no later than one month after the Effective Date, the CAIXA Project Unit shall maintain competent staff in adequate numbers with qualifications and experience satisfactory to the World Bank, including the following key staff: a national manager, a procurement specialist (with knowledge of the Procurement and Consultant Guidelines) and a financial management specialist.

3. FUNBIO shall ensure that, until the completion of the execution of the Project, FUNBIO Superintendence of Programs shall maintain competent staff in adequate numbers with qualifications and experience satisfactory to the World Bank, including the following key staff: a Project manager, an information/technology specialist, a procurement specialist, and a financial management specialist.

4. CAIXA shall cause: (i) MMA (through the respective Cooperation Agreement) to maintain until the completion of the execution of the Project, the Project Coordination Committee with at least bi-annual meetings and submit reports of said meetings to the World Bank; and (ii) the Project Beneficiaries (through their respective Cooperation Agreement) to maintain until the completion of the execution of the Project, the Procurement Commission.

5. At least once a year during Project implementation on or about November 30, commencing on any such date after the Effective Date, or such other date as the World Bank shall agree upon, CAIXA shall cause that MMA (through the respective Cooperation Agreement) meet with the Project Coordination Committee and the World Bank to evaluate and monitor Project progress during the preceding twelve months, select/approve Public Sector Sub-projects and furnish to the World Bank an annual operational plan (the Annual Operational Plan) for the Project for the following twelve months.
6. On or about August 31, 2010, or such other date as the World Bank shall agree upon, the Co-Recipients shall: (a) carry out jointly with the World Bank and with the Project Coordination Committee a mid-term review of the implementation of operations under the Project (Midterm Review). The Midterm Review shall cover the progress achieved in the implementation of the Project; and (b) following such Midterm Review, act promptly and diligently to take any corrective action as shall be recommended by the World Bank.

7. If at any time, the World Bank determines that any portion of the Grant proceeds was used for items improperly procured in violation of Section III to this Schedule, was not used for Eligible Expenditures or, in case of Public Sector Sub-projects or Private Sector Sub-projects was not supported by evidence of satisfaction of other criteria set forth in this Agreement or in the Project Operational Manual (including compliance with the Negative List and the eligibility criteria for Public Sector Sub-beneficiaries or Private Sector Sub-beneficiaries), the Co-Recipients shall refund any such portion to the World Bank as the World Bank shall specify by notice to the Co-Recipients.

8. The Co-Recipients shall, for the Public Sector Sub-projects under Components 1(b)(ii) and 3(b)(ii) of the Project and for the Private Sector Sub-projects under Component 2(a) of the Project: (a) have all the procurement records and documentation for each fiscal year of the Project audited, in accordance with appropriate procurement auditing principles by independent auditors acceptable to the World Bank; (b) furnish to the World Bank as soon as available, but in any case not later than six months after the end of each such fiscal year, the procurement audit report of such audit by said auditors, of such scope and in such detail as the World Bank shall have reasonably requested; and (c) furnish to the World Bank such other information concerning said procurement records and documentation and the procurement audit thereof as the World Bank shall from time to time reasonably request.

B. Cooperation Agreements

1. To facilitate the carrying out of Components 1, 3, 4(a) and 4(b) of the Project, CAIXA shall make the proceeds of the Grant allocated from time to time to Categories (1) and (3) of the table set forth in Section IV.A.2 of this Schedule, together with relevant non-Grant proceeds, available to the Project Beneficiaries under each cooperation agreement (“CAIXA Cooperation Agreement”) to be executed and thereafter implemented under terms and conditions acceptable to the World Bank between CAIXA and each relevant Project Beneficiary in order to carry out their respective activities under said Components.

2. To facilitate the carrying out of Component 2(d) of the Project, FUNBIO shall execute and thereafter implement a cooperation agreement (“FUNBIO Cooperation Agreement”) with MMA under terms and conditions acceptable to the World Bank.
3. CAIXA shall, under each respective CAIXA Cooperation Agreement, obtain adequate rights, including the right to: (i) suspend or terminate the right of the Project Beneficiary to use the proceeds under the respective CAIXA Cooperation Agreement, declare said CAIXA Cooperation Agreement to be terminated and/or obtain a refund of all or any part of the proceeds under said CAIXA Cooperation Agreement then withdrawn, upon the Project Beneficiary’s failure to perform any of its obligations under its respective CAIXA Cooperation Agreement; and (ii) require each Project Beneficiary to: (A) carry out its relevant activity under the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank as further described in the Project Operational Manual; (B) provide, promptly as needed, the counterpart funds and the resources required for the purpose of said activity; (C) cause the goods, works and services to be funded out of the proceeds of the respective CAIXA Cooperation Agreement to be procured in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the activities carried out and the achievement of their objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the activities carried out under the respective CAIXA Cooperation Agreement; and (2) at the request of the World Bank, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the World Bank; (F) enable the World Bank or cause the World Bank to be enabled under each CAIXA Cooperation Agreement to inspect the activities carried out, their operation and any relevant records and documents; and (G) prepare and furnish to CAIXA and to the World Bank all such information as CAIXA or the World Bank shall reasonably request relating to the foregoing or cause all such information to be prepared and furnished to CAIXA and the World Bank under each CAIXA Cooperation Agreement.

4. FUNBIO shall, under the FUNBIO Cooperation Agreement, obtain adequate rights, including the right to: (i) suspend or terminate the FUNBIO Cooperation Agreement, upon MMA’s failure to perform any of its obligations under the FUNBIO Cooperation Agreement; and (ii) require MMA to: (A) carry out its relevant activity under the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank as further described in the Project Operational Manual; (B) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the activities carried out and the achievement of their objectives; (C) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the activities carried out under the Cooperation Agreement; (D) enable the World Bank or cause the World Bank
to be enabled under the FUNBIO Cooperation Agreement to inspect the activities carried out, their operation and any relevant records and documents; and (E) prepare and furnish to FUNBIO and to the World Bank all such information as FUNBIO or the World Bank shall reasonably request relating to the foregoing or cause all such information to be prepared and furnished to FUNBIO and the World Bank under the FUNBIO Cooperation Agreement.

5. CAIXA and FUNBIO shall exercise their rights under each respective Cooperation Agreement in such manner as to protect their own interests and the interests of the Member Country and of the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, CAIXA and FUNBIO shall not assign, amend, abrogate or waive any Cooperation Agreement or any of its substantive provisions (such as objectives of the activities carried out and compliance with the Project Operational Manual). In case of any conflict between the terms of a Cooperation Agreement and those of this Agreement, the terms of this Agreement shall prevail.

C. Public Sector Sub-projects.

1. CAIXA shall, in order to support each eligible Public Sector Sub-project, make a Public Sector Transfer to a Public Sector Sub-beneficiary under Components 1(b)(ii) and 3(b)(ii) of the Project in accordance with eligibility criteria and selection procedures acceptable to the World Bank as detailed in the Project Operational Manual which shall include an application in form and substance acceptable to the World Bank, containing, inter alia: (a) an appraisal of the Public Sector Sub-project, and a description of the expenditures proposed to be funded, including those expenditures proposed to be funded out of the proceeds of the Grant; (b) a detailed description of how the relevant Public Sector Sub-beneficiary and such Public Sector Sub-project meet the eligibility criteria set forth in the Project Operational Manual and comply with the Negative List; (c) a plan for the administration, operation and maintenance of the proposed Public Sector Sub-project; (d) evidence, whenever applicable, that land and rights with respect to the land are physically and legally available for the purposes of the proposed Public Sector Sub-project; (e) evidence that the Public Sector Sub-beneficiary holds the corresponding legal rights for the purposes of the proposed Public Sector Sub-project; (f) evidence that the Public Sector Sub-beneficiary holds the corresponding environmental permits required for the execution of the works planned under the proposed Public Sector Sub-project; (g) whenever a Public Sector Sub-project requires the undertaking of environmental mitigation measures, the corresponding environmental assessment, as such assessment shall have been prepared in accordance with the Environmental Assessment and with terms of reference satisfactory to the World Bank; and (h) such other information as the World Bank shall reasonably request in respect of the relevant Public Sector Sub-project.

2. (a) CAIXA shall make a Public Sector Transfer under a Public Sector Transfer Agreement in accordance with the model form contained in the Project Operational Manual with the respective Public Sector Sub-beneficiary to support an
eligible Public Sector Sub-project on terms and conditions approved by the World Bank in accordance with the provisions of the Project Operational Manual.

(b) CAIXA shall furnish to the World Bank: (i) the complete application form described under paragraph C.1 (a) through (h) above for the first Public Sector Sub-project presented under Components 1(b)(ii) and 3(b)(ii) of the Project, for its review and prior approval; and (ii) thereafter on or about December 1 each year, commencing on any such date after the Effective Date, the complete list of Public Sector Transfers executed during the preceding twelve months, including the name of the Public Sector Sub-beneficiary, the amount of the Public Sector Transfer, the date in which the Public Sector Transfer Agreement was executed, the activity to be funded and a confirmation that said activity does not fall under the Negative List prohibition.

(c) CAIXA shall, under each Public Sector Transfer Agreement, obtain rights adequate to protect its interests and those of the Member Country and of the World Bank, including the right to: (i) suspend or terminate the right of the Public Sector Sub-beneficiary to use the proceeds of the Public Sector Transfer, declare the Public Sector Transfer to be immediately terminated and/or obtain a refund of all or any part of the amount of the Public Sector Transfer then withdrawn, upon the Public Sector Sub-beneficiary's failure to perform any of its obligations under the Public Sector Transfer Agreement; and (ii) require each Public Sector Sub-beneficiary to: (A) carry out its Public Sector Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank as further described in the Project Operational Manual; (B) provide, promptly as needed, the resources required for the purpose of the Public Sector Sub-project; (C) (1) procure the goods, works and services to be funded out of the Public Sector Transfer in accordance with the provisions of this Agreement; and (2) at the request of the World Bank, have all procurement records and documentation audited by independent auditors acceptable to the World Bank, in accordance with consistently applied procurement auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the World Bank; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Public Sector Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Public Sector Sub-project; and (2) at the request of the World Bank, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the World Bank; (F) enable the World Bank or cause the World Bank to be enabled under each Public Sector Transfer Agreement to inspect the Public Sector Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to CAIXA and the World Bank all such information as CAIXA or the World Bank shall reasonably request relating to the foregoing or cause all such information to be
prepared and furnished to CAIXA and the World Bank under each Public Sector Transfer Agreement.

3. CAIXA shall exercise its rights under each Public Sector Transfer Agreement in such manner as to protect its own interests and the interests of the Member Country and of the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, CAIXA shall not assign, amend, abrogate or waive any Public Sector Transfer Agreement or any of its substantive provisions (such as the objectives of the Public Sector Sub-project, the identity of the Public Sector Sub-beneficiary, the compliance with the Negative List). In case of any conflict between the terms of a Public Sector Transfer Agreement and those of this Agreement, the terms of this Agreement shall prevail.

D. Private Sector Sub-projects.

1. FUNBIO shall, in order to support each eligible Private Sector Sub-project, make a Private Sector Transfer to a Private Sector Sub-beneficiary under Component 2(a) of the Project in accordance with eligibility criteria and selection procedures acceptable to the World Bank as detailed in the Project Operational Manual which shall include an application in form and substance acceptable to the World Bank, containing, *inter alia*:
   (a) an appraisal of the Private Sector Sub-project, and a description of the expenditures proposed to be funded, including those expenditures proposed to be financed out of the proceeds of the Grant; (b) a detailed description of how the relevant Private Sector Sub-beneficiary and such Private Sector Sub-project meet the eligibility criteria set forth in the Project Operational Manual and comply with the Negative List; (c) a plan for the administration, operation and maintenance of the proposed Private Sector Sub-project; (d) evidence, whenever applicable, that land and rights with respect to the land are physically and legally available for the purposes of the proposed Private Sector Sub-project; (e) evidence that the Private Sector Sub-beneficiary holds the corresponding legal rights for the purposes of the proposed Private Sector Sub-project; (f) evidence that the Private Sector Sub-beneficiary holds the corresponding environmental permits required for the execution of the works planned under the proposed Private Sector Sub-project; (g) whenever a Private Sector Sub-project requires the undertaking of environmental mitigation measures, the corresponding environmental assessment, as such assessment shall have been prepared in accordance with the Environmental Assessment and with terms of reference satisfactory to the World Bank; and (h) such other information as the World Bank shall reasonably request in respect of the relevant Private Sector Sub-project.

2. (a) FUNBIO shall make a Private Sector Transfer under a Private Sector Transfer Agreement in accordance with the model form pertaining to the Project Operational Manual with the respective Private Sector Sub-beneficiary to support an eligible Private Sector Sub-project on terms and conditions approved by the World Bank, in accordance with the provisions of the Operational Manual.
(b) FUNBIO shall furnish to the World Bank: (a) the complete application form described under paragraph D.1 (a) through (h) above for the first two Private Sector Sub-projects presented under Component 2(a) of the Project, for its review and prior approval; and (b) thereafter on or about December 1 each year, commencing on any such date after the Effective Date, the complete list of Private Sector Transfers executed during the preceding twelve months, including the name of the Private Sector Sub-beneficiary, the amount of the Private Sector Transfer, the date in which the Private Sector Transfer Agreement was executed, the financial terms of the Private Sector Transfer, the activity to be funded and a confirmation that said activity does not fall under the Negative List prohibition.

(c) FUNBIO shall, under each Private Sector Transfer Agreement, obtain rights adequate to protect its interests and those of the Member Country and of the World Bank, including the right to: (i) suspend or terminate the right of the Private Sector Sub-beneficiary to use the proceeds of the Private Sector Transfer, declare the Private Sector Transfer to be immediately terminated and/or obtain a refund of all or any part of the amount of the Private Sector Transfer then withdrawn, upon the Private Sector Sub-beneficiary’s failure to perform any of its obligations under the Private Sector Transfer Agreement; and (ii) require each Private Sector Sub-beneficiary to: (A) carry out its Private Sector Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank as further described in the Project Operational Manual; (B) provide, promptly as needed, the resources required for the purpose of the Private Sector Sub-project; (C) (1) procure the goods, works and services to be financed out of the Private Sector Transfer in accordance with the provisions of this Agreement; and (2) at the request of the World Bank, have all procurement records and documentation audited by independent auditors acceptable to the World Bank, in accordance with consistently applied procurement auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the World Bank; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Private Sector Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Private Sector Sub-project; and (2) at the request of the World Bank, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the World Bank; (F) enable the World Bank or cause the World Bank to be enabled under each Private Sector Transfer Agreement to inspect the Private Sector Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to FUNBIO and the World Bank all such information as FUNBIO or the World Bank shall reasonably request relating to the foregoing or cause all such information to be prepared and furnished to FUNBIO and the World Bank under each Private Sector Transfer Agreement.
3. FUNBIO shall exercise its rights under each Private Sector Transfer Agreement in such manner as to protect its own interests and the interests of the Member Country and of the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, FUNBIO shall not assign, amend, abrogate or waive any Private Sector Transfer Agreement or any of its substantive provisions (such as the objectives of the Private Sector Sub-project, the identity of the Private Sector Sub-beneficiary, the compliance with the Negative List). In case of any conflict between the terms of a Private Sector Transfer Agreement and those of this Agreement, the terms of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. (a) (i) CAIXA shall cause MMA to monitor and evaluate progress for Components 1, 3 and 4 of the Project and prepare Project Reports for said Components; and (ii) FUNBIO shall monitor and evaluate progress for Component 2 of the Project and prepare Project Reports for said Component; all in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank and to MMA, not later than one month after the end of the period covered by such report. Under each Cooperation Agreement with MMA, the Co-Recipients shall cause said Project Reports to be consolidated, by MMA and furnished to the World Bank.

    (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>Target Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tangible progress is made toward achieving at least 16 of the 50 quantitative national targets already established for Brazil as part of the CBD targets for 2010; tracked by a strategic set of monitoring indicators.</td>
<td>By August 31, 2010</td>
</tr>
<tr>
<td>2. Number of policy initiatives for mainstreaming biodiversity designed and adopted in selected areas through consultative process with government and private sector institutions.</td>
<td>4</td>
</tr>
<tr>
<td>3. Number of Public Sector Sub-projects applying policy instruments and technologies promoting biodiversity conservation and sustainable use.</td>
<td>8</td>
</tr>
<tr>
<td>4. Number of hectares pertaining to Private Sector Sub-beneficiaries adopting criteria associated with biodiversity conservation in their areas of operation.</td>
<td>400,000</td>
</tr>
<tr>
<td>5. Number of private sector stakeholders adopting criteria linked with biodiversity conservation and sustainable use.</td>
<td>3</td>
</tr>
<tr>
<td>6. Number of partner institutions producing information relevant to policymaking which operate through the Brazilian Virtual Institute for Biodiversity.</td>
<td>7</td>
</tr>
<tr>
<td>7. Number of Thematic Specialized Centers for Conservation of Fauna and Flora created and consolidated at the national level, with capacity to generate products (technology, management practices, and methodologies) for biodiversity conservation and sustainable use.</td>
<td>7</td>
</tr>
<tr>
<td>8. Number of technical specialists from partner institutions trained in biodiversity themes in order to incorporate biodiversity in sectoral work.</td>
<td>1,500</td>
</tr>
</tbody>
</table>
2. The Co-Recipients shall 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. In order to assist the Co-Recipients in preparing the Completion Report, they shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank.

B. Financial Management; Financial Reports; Audits

1. The Co-Recipients shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Co-Recipients shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank no later than forty-five days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Co-Recipients shall have their Financial Statements of 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 Co-Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank no later than six months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works and 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:

   (a) Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 (“Procurement Guidelines”) in the case of non-consultant services, goods and works, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 (“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 plans prepared and updated from time to time by the Co-Recipients for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plans”).
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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Non-Consultant Services Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, non-consultant services, goods and works 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 non-consultant services, goods and works. The Procurement Plans shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Established Private or Commercial Practices which have been found acceptable to the World Bank for Private Sector Sub-projects</td>
</tr>
<tr>
<td>(e) Community Participation procedures described in the Procurement Plans for Public Sector Sub-projects and for Private Sector Sub-projects</td>
</tr>
</tbody>
</table>

Contracts awarded on the basis of National Competitive Bidding are subject to the following additional provisions:

(a) Contracts shall be awarded to the bidder whose bid has been determined to be the lowest evaluated bid, such evaluation to be based on price and, whenever appropriate, to also take into account factors similar to those referred to in paragraph 2.52 of the Procurement Guidelines, provided, however, that the bid evaluation shall always be based on factors that can be quantified objectively, and the procedure for such quantification shall be disclosed in the invitation to bid.

(b) Whenever required by the World Bank, the invitation to bid shall be advertised for at least three consecutive days in a newspaper of wide circulation in Brazil.

(c) The arrangements, under the invitation to bid, for a joint-venture (consórcio) of Brazilian and foreign firms shall be approved in advance by the World Bank in each case.
(d) The invitation to bid shall not establish, for purposes of acceptance of bids, minimum or maximum amounts for the contract prices.

(e) The purchaser shall not, without the World Bank’s prior approval, issue any change order under a contract which would increase or decrease by more than 15% the quantity of goods (and related services) without any change in the unit prices or other terms and conditions of sale.

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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plans shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least-Cost Selection</td>
</tr>
<tr>
<td>(d) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-source Selection</td>
</tr>
<tr>
<td>(f) Procedures set forth in Paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Sole Source Procedures for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(h) Established Private or Commercial Practices which have been found acceptable to the World Bank for Private Sector Sub-projects</td>
</tr>
</tbody>
</table>

D. Review by the World Bank of Procurement Decisions

1. The Procurement Plans 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 Co-Recipients 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 Co-Recipients
(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, non-consultants’ services and consultants’ services under Components 1(a), 1(b)(i), 3(a) and 3(b)(i) of the Project</td>
<td>5,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consultants’ services and consultants’ services under Components 2(b) and 2(c) of the Project</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consultants’ services and consultants’ services financed by Public Sector Transfers under Component 1(b)(ii) and 3(b)(ii) of the Project</td>
<td>8,000,000</td>
<td>100% of amounts disbursed by CAIXA under such items</td>
</tr>
<tr>
<td>(4) Goods, works and consultants’ services financed by Private Sector Transfers under Component 2(a) of the Project</td>
<td>6,000,000</td>
<td>100% of amounts disbursed by FUNBIO under such items</td>
</tr>
<tr>
<td>(5) Operating Costs under Component 2(d) of the Project</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>1,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>22,000,000</td>
<td></td>
</tr>
</tbody>
</table>

3. For the purposes of this table, the term "Operating Costs" means recurrent costs of the Project, associated with the implementation, monitoring and evaluation of Component 2 of the Project by FUNBIO, including: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) equipment and computer maintenance; (iii) shipment costs (whenever these costs are not included in the cost of goods); (iv) office supplies and equipment; (v) rent for office facilities; (vi) utilities; (vii) travel and per
diem costs for technical staff carrying out training, supervisory and quality control activities; (viii) audits; and (ix) salaries of FUNBIO staff employed for purposes of working in Project coordination and management activities.

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 $2,000,000 equivalent may be made for payments made during the twelve months immediately before this date but on or after April 15, 2007, for Eligible Expenditures under Categories (1) and (2).

   (b) under Category (3) unless the first application for Public Sector Sub-projects presented under Components 1(b)(ii) and 3(b)(ii) of the Project has been submitted for the World Bank’s prior review and has been found satisfactory by the World Bank.

   (c) under Category (4) unless the first two applications for Private Sector Sub-projects presented under Component 2(a) of the Project have been submitted for the World Bank’s prior review and have been found satisfactory by the World Bank.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2013.

Section V. Other Undertakings

CAIXA, with respect to Components 1, 3 and 4 of the Project and FUNBIO, with respect to Component 2 of the Project, shall no later than six months after the Effective Date, appoint the independent auditors as referred to in Sections I.A.8. and I.B.3. above, under terms of reference and with qualifications and experience satisfactory to the World Bank and in accordance with the provisions of Section III above.
APPENDIX

Modifications to the Standard Conditions - Definitions

Section I. Modification to the Standard Conditions

The Standard Conditions are modified as follows:

1. The reference to “Member Country” in the Standard Conditions and in this Agreement means the Federative Republic of Brazil.

Section II. Definitions

1. “Annual Operational Plan” means each plan referred to in Section I.A.5 of Schedule 2 to this Agreement.

2. “BIREME” means “Biblioteca Regional de Medicina”, the Latin American and Caribbean Center on Health Sciences Information, a specialized center of the Pan-American Health Organization, established in Brazil in 1967 and operating under an agreement among the Member Country, the Member Country’s State of São Paulo and the Pan-American Health Organization dated December 2, 2004 and published in the Member Country’s official gazette on December 30, 2004.

3. “Brazilian Virtual Institute for Biodiversity” means an institute with a legal personality to be created by, inter alia, the Project Beneficiaries and FUNBIO, in form and substance satisfactory to the World Bank.

4. “CAIXA Cooperation Agreement” means any or all of the agreements referred to in Section I. B.1. of Schedule 2 to this Agreement and executed between CAIXA on one hand and each of MMA, MAPA, BIREME, MS, MCT, FIOCRUZ, Instituto Chico Mendes, Rio de Janeiro Botanic Garden, and EMBRAPA, on the other hand for the implementation of their respective activities under Components 1, 3 and 4 of the Project.


6. “CAIXA Project Unit” means a department within CAIXA in charge of the day-to-day financial coordination and implementation of Component 4(a) of the Project, as established and operating under the administrative note (Manual normativo) No. OR 005 (Estrutura Organizacional – Versão 47), dated January
15, 2008, as the same may be amended from time to time by CAIXA with the World Bank’s prior approval.

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


10. “Cooperation Agreements” means any or all of the agreements referred to in Section I. B of Schedule 2 to this Agreement and executed between, on the one hand, CAIXA and each of MMA, MAPA, BIREME, MS, MCT, FIOCRUZ, Instituto Chico Mendes, Rio de Janeiro Botanic Garden, and EMBRAPA for the implementation of Components 1, 3 and 4 of the Project, and, on the other hand, FUNBIO and MMA for the implementation of Component 2 of the Project.

11. “Co-Recipients” means collectively CAIXA and FUNBIO as co-recipients of the GEF Grant defined in this Agreement.

12. “Effective Date” means the date so-referred in Section 5.03 of this Agreement.


14. “Environmental Assessment” means the document dated March 16, 2007, as published and available to the public on the websites www.mma.gov.br and www.funbio.org.br which contains the environmental protection measures in respect of the Project and of the Public Sector Sub-projects and Private Sector Sub-projects, including identification of existing environmental conditions and potential direct and indirect environmental impacts from the carrying out of said Sub-projects, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact.

15. “FIOCRUZ” means the Oswaldo Cruz Foundation, a foundation established and operating pursuant to the Member Country’s Decree No. 4.725, dated June 9, 2003.

16. “FUNBIO Articles of Agreement” means the articles of agreement creating FUNBIO as registered with the civil registry of legal entities of Rio de Janeiro
(Registro Civil de Pessoas Jurídicas) under the protocol No. 20031128-1557496 and matrícula No. 179105, on December 3, 2003.

17. “FUNBIO Cooperation Agreement” means the agreement referred to in Section I. B.2. of Schedule 2 to this Agreement and executed between FUNBIO and MMA for the implementation of Component 2(c)(ii) of the Project.

18. “FUNBIO Superintendence of Programs” means an operational unit within FUNBIO in charge of the day-to-day coordination and implementation of Component 2 of the Project.

19. “Instituto Chico Mendes” means Instituto Chico Mendes de Conservação da Biodiversidade, the Member Country’s federal agency for the conservation of biodiversity.


21. “Knowledge Base Facility” means a database to gather information and establish synergies on selected key productive landscapes to foster Private Sector Sub-projects and geographically coordinated actions.


23. “MCT” means the Member Country’s Ministry of Science and Technology.

24. “Member Country” has the meaning set forth in Section I.1 of this Appendix.


27. “Negative List” means a list of goods, works, non-consultants’ services and consultants’ services to be annexed to the Project Operational Manual and which cannot benefit from funding out of the proceeds of the Grant (including for a Public Sector Transfer or a Private Sector Transfer) under the Project.

28. “Opportunities Fund” means a fund without legal personality to be created by FUNBIO under Component 2(c) of the Project for the funding of Private Sector Sub-projects.

29. “Private Sector Sub-beneficiary” means a local entrepreneur, a corporation or a national, regional or local investor located within productive landscapes, with a legal personality, whose Private Sector Sub-project has been found eligible in
accordance with the criteria set forth in the Project Operational Manual, has applied for financing and has received or is to receive a Private Sector Transfer under a Private Sector Transfer Agreement to be executed under the supervision of FUNBIO under Component 2 (a) of the Project.

30. “Private Sector Sub-project” means an eligible subproject in the private sector selected by FUNBIO and approved by the World Bank in accordance with relevant provisions of the Project Operational Manual, to be funded under a Private Sector Transfer Agreement for the activities set forth in Component 2(a) of the Project and to be carried out by a Private Sector Sub-beneficiary within productive landscapes.

31. “Private Sector Transfer” means a transfer made or proposed to be made by FUNBIO under a Private Sector Transfer Agreement for the funding of an eligible Private Sector Sub-project to a Private Sector Sub-beneficiary to cover part of the costs of a Private Sector Sub-project.

32. “Private Sector Transfer Agreement” means each agreement entered into between FUNBIO and a Private Sector Sub-beneficiary as referred to in Section I.D of Schedule 2 to this Agreement for the funding and implementation of a Private Sector Sub-project under Component 2(a) of the Project.

33. “Procurement Commission” means a commission to be created by the Project Beneficiaries in order to carry out selected procurement processes under Components 1, 3 and 4 of the Project.

34. “Procurement Commission Legislation” means the administrative ordinance to be adopted by the Project Beneficiaries in form and substance satisfactory to the World Bank for the creation of the Procurement Commission.


36. “Procurement Plans” means the procurement plans for CAIXA and FUNBIO for their respective Components under the Project, dated, respectively, April 18, 2007 and April 16, 2007 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.

37. “Project Beneficiaries” means collectively all entities which have executed Cooperation Agreements with CAIXA or FUNBIO for the implementation of their respective Components under the Project, namely MMA; MAPA; BIREME; MS; MCT; FIOCRUZ; Instituto Chico Mendes; Rio de Janeiro Botanic Garden; and EMBRAPA.
38. “Project Coordination Committee” means a committee to be created through the Project Coordination Committee Legislation and to be chaired by MMA in charge of the general oversight of the Project, including the preparation of the Annual Operational Plans and the selection/approval of Public Sector Sub-projects and comprising, inter alia, representatives from FUNBIO; MAPA; MS; MCT; FIOCRUZ; Instituto Chico Mendes; Rio de Janeiro Botanic Garden; and EMBRAPA.

39. “Project Coordination Committee Legislation” means a piece of administrative regulation (portaria) to be adopted by MMA for the creation of the Project Coordination Committee.

40. “Project Operational Manual” means the operational manual for the Project, satisfactory to the World Bank to be adopted by the Co-Recipients, which shall contain, inter alia: (i) the functions and responsibilities of the personnel of CAIXA and FUNBIO in charge of daily Project coordination and monitoring; (ii) the procedures for procurement of works, goods and services for the Project and for the Public Sector Sub-Projects and Private Sector Sub-projects, as well as for financial management and audits (i.e. financial audit and procurement audit) of the Project and of the Public Sector Sub-Projects and Private Sector Sub-projects; (iii) the indicators to be used in the monitoring and evaluation of the Project and of the Public Sector Sub-Projects and Private Sector Sub-projects; (iv) flow and disbursement arrangements of Project funds; (v) the eligibility criteria for the Public Sector Sub-Projects and Private Sector Sub-projects, their selection and approval processes, the Negative List, as well as model forms for Public Sector Transfer Agreements and Private Sector Transfer Agreements; (vi) the staffing plan for the CAIXA Project Unit and the FUNBIO Superintendence of Programs; and (vii) the Environmental Assessment.

41. “Public Sector Sub-beneficiary” means a foundation, association, non-governmental organization, university, public sector company, or public sector agency, with a legal personality, whose Public Sector Sub-project has been found eligible in accordance with the criteria set forth in the Project Operational Manual, has applied for funding and has received or is to receive a Public Sector Transfer under a Public Sector Transfer Agreement to be executed under the supervision of CAIXA under Components 1(b)(ii) and 3(b)(ii) of the Project.

42. “Public Sector Sub-project” means an eligible public sector subproject selected by the Project Coordination Committee and approved by the World Bank in accordance with relevant provisions of the Project Operational Manual, to be funded under a Public Sector Transfer Agreement executed with CAIXA for the activities set forth in Components 1(b)(ii) and 3(b)(ii) of the Project and to be carried out by a Public Sector Sub-beneficiary within the territory of the Member Country.
43. “Public Sector Transfer” means a transfer made or proposed to be made by CAIXA under a Public Sector Transfer Agreement for the funding of an eligible Public Sector Sub-project to a Public Sector Sub-beneficiary to cover part of the costs of a Public Sector Sub-project.

44. “Public Sector Transfer Agreement” means each agreement entered into between CAIXA and a Public Sector Sub-beneficiary as referred to in Section I.C of Schedule 2 to this Agreement for the funding and implementation of a Public Sector Sub-project under Components 1(b)(ii) and 3(b)(ii) of the Project.

45. “Rio de Janeiro Botanic Garden” means a federal agency (Instituto de Pesquisas Jardim Botânico do Rio de Janeiro), established and operating pursuant to the Member Country’s Law No. 10.316, dated December 6, 2001.

46. “Thematic Specialized Centers for the Conservation of Fauna and Flora” means collectively the following centers or entities to be created and/or strengthened under Component 3(b) of the Project: (i) a center for biodiversity monitoring in MMA (the Brazilian Center for Biodiversity Monitoring and Forecasting); (ii) specialized centers for flora and fauna in Instituto Chico Mendes (the Centers for Flora and Fauna); (iii) a center for plant diversity in the Rio de Janeiro Botanical Garden (the Center for Brazilian Flora Conservation); and (iv) a center for biodiversity and health in FIOCRUZ (the Center for Wildlife Health).