Loan Agreement

(Additional Financing for the Sustainable Rural Development Project)

between

UNITED MEXICAN STATES

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated November 30, 2012
ADDITIONAL FINANCING LOAN AGREEMENT

Agreement dated November 30, 2012, between UNITED MEXICAN STATES ("Borrower") duly represented by its Ministry of Finance and Public Credit and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement).

Whereas the Borrower has requested an additional financing for the scaling-up of the activities financed under the Original Project; and

Whereas the Borrower has informed the Bank that the proceeds of the Loan (as set forth in the table of Section IV.A.3 of Schedule 2 to this Agreement and for purposes of supporting the project described in Schedule 1 to this Agreement ("Project")) shall be used in conformity with the requirements of the Borrower’s income, budgetary and public debt laws and the terms of this Agreement;

Now, therefore, the Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General 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 this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of fifty million Dollars ($50,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the Project.

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. Unless the Borrower’s Representative designated in Section 6.01 of this Agreement otherwise informs the Bank, the Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Director/a de Organismos Financieros Internacionales of NAFIN or any person or persons whom such representative shall designate in writing.
2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.05. The Payment Dates are May 1 and November 1 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower, or NAFIN at the request of
the Borrower, has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV.A.3 of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause FIRCO to carry out the Project in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that, any of the parties to the Contrato de Mandato shall have failed to perform any of its obligations under the Contrato de Mandato.

4.02. The Additional Event of Acceleration consists of the following, namely that, the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following, namely that, the Contrato de Mandato has been duly executed by the parties thereto.

5.02. The Additional Legal Matter consists of the following, namely that, the Borrower (in its legal opinion), NAFIN (in a separate legal opinion satisfactory to the Bank issued by NAFIN counsel acceptable to the Bank) and FIRCO (in separate legal opinion satisfactory to the Bank issued by FIRCO counsel acceptable to the Bank) represent that the Contrato de Mandato has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower, NAFIN and FIRCO and is legally binding upon the Borrower, NAFIN and FIRCO in accordance with the Contrato de Mandato’s terms.

5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no
case later than the eighteen (18) months after the Bank’s approval of the Loan which expire on May 20, 2014.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. Except as set forth in Section 2.02 of this Agreement, the Borrower’s Representative is the Titular de la Unidad de Crédito Público of SHCP. The authorized representative to make requests for Conversions or for an IBRD Hedge (as defined in the Hedging Guidelines) on behalf of the Borrower shall be (a) the Titular de la Unidad de Crédito Público of SHCP or any person or persons whom he or she shall designate in writing for this particular purpose, or (b) the Director/a de Organismos Financieros Internacionales of NAFIN or any person or persons whom such representative shall designate in writing.

6.02. The Borrower’s Address is:

Secretaría de Hacienda y Crédito Público
Unidad de Asuntos Internacionales de Hacienda
Insurgentes Sur 1971, Torre III, Piso 3
Col. Guadalupe Inn, 01020
Delegación Alvaro Obregón, México D.F.

6.03. The Bank’s Address is:

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

Cable address: INTBAFRAD
Telex: 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

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative
SCHEDULE 1

Project Description

The Project constitutes the continuation of the Original Project for the purposes of scaling-up the activities financed under the Original Project. The objective of the Project is to promote the adoption of environmentally sustainable technologies in agribusinesses.

The Project consists of the following parts:

Part 1: Environmentally Sustainable Technologies in Agri-business

Promotion of the adoption of environmentally sustainable technologies in agri-business operating at the various stages of the production chain of agricultural products, including, *inter alia*:

(a) Modernization and rehabilitation of small and medium-sized agribusinesses to improve their environmental sustainability, with particular emphasis on energy consumption efficiency and/or renewable energy; and

(b) Promotion of sustainable waste management and biomass conversion with potential use as energy.

Part 2: Investment and Production Support Services

Provision of technical assistance and training to Beneficiaries for:

(a) the preparation of investment business plans that would subsequently be submitted for Agri-business Sub-projects; and

(b) the implementation of Agri-business Sub-projects, with special reference to integration of energy efficient production and processing technologies in farms and agri-businesses.

Part 3: Institutional Strengthening

Provision of technical assistance, training and equipment to:

(a) strengthen the institutional capacity of SAGARPA and its FIRCO to, *inter alia*: address climate change and environmental issues in the agricultural sector, assist in Project promotion and implementation and share lessons learned from Project implementation; and
(b) establish and operate pilot projects to demonstrate and validate energy efficient technologies.

Part 4: Project Management, Monitoring and Evaluation

Provision of technical assistance, training and equipment (as necessary) for, _inter alia_:  

(a) the development and operation of a Project monitoring and evaluation system; and

(b) the strengthening of the Implementation Team in order to comply with its Project management and implementation responsibilities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank may otherwise agree, the Borrower shall cause FIRCO (pursuant to the Contrato de Mandato) to carry out the Project in accordance with the Operational Manual. Except as the Borrower and the Bank may otherwise agree in writing, the Borrower shall cause FIRCO not to abrogate, amend, suspend, terminate, waive or otherwise fail to enforce the Operational Manual or any provision thereof. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

2. The Borrower shall cause FIRCO to maintain the Operational Manual, satisfactory to the Bank, containing, inter alia, specific provisions on detailed arrangements for the carrying out of the Project, including:

(a) the procurement, financial management and disbursements procedures of the Project;

(b) the criteria and methods for the selection, approval and implementation and monitoring of the Agri-business Sub-projects;

(c) the Environmental Management Framework;

(d) the Indigenous Peoples Planning Framework;

(e) the restrictive negative list for the selection of Agri-business Sub-projects; and

(f) Key Performance Indicators.

3. The Borrower shall cause FIRCO to:

(a) maintain, in FIRCO, at all times during the implementation of the Project, a Project implementation team, within FIRCO regular structure, with a structure, functions and responsibilities acceptable to the Bank, including, inter alia, the responsibility of said team to coordinate and monitor the carrying out of the Project ("Implementation Team");
(b) ensure that the Implementation Team is, at all time during the implementation of the Project, led by a Project coordinator who shall be assisted by adequate professional and administrative staff (including procurement and financial management specialists), in numbers and with experience and qualifications acceptable to the Bank, all working under terms of reference satisfactory to the Bank; and

(c) maintain, at all times during the implementation of the Project, an Agri-business Sub-project evaluation mechanism with responsibilities and functions satisfactory to the Bank, including, inter alia, the rules and procedures governing the presentation, selection and implementation of Agri-business Sub-projects.

4. Prior to the disbursement of an Agri-business Grant, the Borrower shall cause FIRCO to enter into a sub-project agreement with a Beneficiary for the financing of an Agri-business Sub-project, under terms and conditions acceptable to the Bank as outlined in the Operational Manual (the “Sub-project Grant Agreement”), including, inter alia, the right of the Borrower and the Bank to:

(a) suspend or terminate the right of the Beneficiary to receive or use the Agri-business Grant; or obtain a refund of all or any part of the amount of said Agri-business Grant them withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the pertinent Sub-project Grant Agreement; and

(b) require each Beneficiary to: (i) carry out its Agri-business Subproject in accordance with the relevant provisions of this Agreement (including the Operational Manual and the Anti-Corruption Guidelines); (ii) provide, promptly as needed, the resources required for the purpose; and (iii) procure the goods, works, non-consulting services and consultants’ services to be financed out of the Agri-business Grant in accordance with the provisions of Section III of this Schedule and as further detailed in the Operational Manual.

B. **Contrato de Mandato**

1. The Borrower, through SHCP, shall enter into a contract (Contrato de Mandato), satisfactory to the Bank, with NAFIN and FIRCO, whereby, inter alia:

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

(b) NAFIN agrees to abide by the Anti-Corruption Guidelines;

(c) FIRCO agrees to carry out the Project in accordance with the provisions of this Agreement, the Anti-Corruption Guidelines and the Operational Manual (including the Project’s financial management and procurement arrangements);

(d) the Borrower, through SHCP, 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 Mandato, or temporarily suspend its effects, or, if applicable, require the restitution of funds transferred under said Contrato de Mandato; and

(e) the Borrower, NAFIN and FIRCO agree to cooperate fully among them to ensure that the Borrower, NAFIN and FIRCO are able to comply with all of their respective obligations referred to in this Section.

2. The Borrower shall exercise its rights and carry out its obligations under the Contrato de Mandato in such a manner as to protect the interests of the Bank and to accomplish the purposes of the Loan. Except as the Bank may otherwise agree, the Borrower shall not amend, waive, terminate or fail to enforce the Contrato de Mandato or any provision thereof. In case of any conflict between the terms of the Contrato de Mandato and those of this Agreement, the terms of this Agreement shall prevail.

C. Anti-Corruption

The Borrower shall ensure, and shall cause FIRCO to ensure, that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

Without limitation upon the provisions of Section I.A.1 of this Schedule, the Borrower shall cause FIRCO to carry out the Project in accordance with the provisions of the Environmental Management Framework and/or the Indigenous Peoples Planning Framework.
Section II.  Project Monitoring Reporting and Evaluation

A.  Project Reports

The Borrower shall cause FIRCO to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of Key Performance Indicators set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B.  Financial Management, Financial Reports and Audits

1.  The Borrower shall cause FIRCO to maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2.  Without limitation on the provisions of Part A of this Section, the Borrower shall cause FIRCO to prepare and furnish to the Bank as part of each Project Report interim unaudited financial reports for the Project covering the pertinent calendar semester, in form and substance satisfactory to the Bank.

3.  The Borrower shall cause FIRCO to have its Project Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of Financial Statements shall cover the period of one fiscal year of the Borrower, commencing with fiscal year in which the Project becomes effective. The audited Financial Statements for each period shall be furnished to the Bank not later than six (6) months after the end of the period.

Section III.  Procurement

A.  General

1.  Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan 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 Section.

2.  Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan 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 Section.
4. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

5. **Special Provisions.** The Borrower shall cause FIRCO to: (a) supply the SEPA with the information contained in the initial Procurement Plan within forty-five (45) days after the Effective Date; and (b) update the Procurement Plan at least once a year, or as needed through the duration of the Project, to reflect the actual Project implementation needs and progress and supply the SEPA with the information contained in the updated Procurement Plan immediately thereafter.

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

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, may be used for goods, works and non-consulting 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) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
</tbody>
</table>

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 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</td>
</tr>
<tr>
<td>(b) Selection Based on Consultant’s Qualifications</td>
</tr>
</tbody>
</table>
D. **Review by the Bank of Procurement Decisions**

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

Section IV. **Withdrawal of Loan Proceeds**

A. **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the 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. The Bank shall, on behalf of the Borrower, withdraw from the Loan Account on or after the Effective Date and pay to itself the Front-end Fee payable pursuant to Section 3.01 of the General Conditions. The remaining proceeds of the Loan shall be disbursed in Dollars unless otherwise agreed between the Borrower and the Bank and so reflected in the additional instructions referred in Section IV.A.1 immediately above. Consistently with Section 2.05 of the General Conditions, the Borrower shall use from the federal expenditure budget an amount equivalent in Dollars provided under this Agreement to finance Eligible Expenditures.

3. The following table specifies the categories of Eligible Expenditures that may be financed with an amount equivalent to the one authorized in the federal expenditure budget in Dollars provided under the Loan (“Category”), the allocation of the amounts of the Loan 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 Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants’ services and Training other than those financed by the GEF Trust Fund Grant</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Agri-business Grants other than those financed by the GEF Trust Fund Grant</td>
<td>49,875,000</td>
<td>100% of the federal contribution for goods, works, non-consulting services, and consultants’ services required for an Agri-business Sub-project</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>125,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>50,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this Section, the term “Training” means the reasonable expenditures (not covered under consultants’ services) incurred by FIRCO with respect to the provision of training activities under the Project, including: (a) travel, room, fees, board and *per diem* expenditures incurred by trainers and trainees; (b) rental of training facilities and equipment; and (c) preparation, acquisition, reproduction and distribution of training materials.

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2016.
SCHEDULE 3

Amortization Schedule

The Borrower shall repay the principal amount of the Loan in full on November 1, 2024.
APPENDIX

Section I. Definitions

1. "Agri-business Grant" means a monetary transfer made, or proposed to be made (pursuant to a Sub-project Grant Agreement), by the Borrower out of the proceeds of the Loan to a Beneficiary for the partial financing of an Agri-business Sub-project in accordance with the criteria and procedures set forth in the Operational Manual.

2. "Agri-business Sub-projects" means a set of activities, including the provision of goods, works, non-consulting services and consultants' services carried out in support of the purposes specified in Part 1 of Schedule 1 of the Project, which set is selected, approved and implemented in accordance with the requirements of the Operational Manual.


4. "Beneficiary" means an eligible small or medium size agri-business with legal personality operating at the various stages of the production chain of agricultural products, which incorporates environmentally sustainable technologies into its business and which has met the eligibility criteria specified in the Operational Manual, and which, as a result, has been granted or is eligible to be granted an Agri-business Grant.

5. "Category" means a category set forth in the table in Section IV.A.3 of Schedule 2 to this Agreement.


7. "Contrato de Mandato" means the contract referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time.

8. "Environmental Management Framework" means the Borrower’s framework for the Project, dated and published on October 12, 2012, acceptable to the Bank, setting forth specific environmental rules for the Project, including rules and procedures for the Agri-business Sub-projects, and the provisions for the carrying out of the environmental assessment and the preparation and implementation of the pertinent environmental management plan if required; as said framework may be updated from time to time by agreement between the Borrower and the Bank.
9. “FIRCO” means Fideicomiso de Riesgo Compartido, the Borrower’s trust fund established by a presidential decree to assist SAGARPA in its role as agency for the promotion of agri-business, and governed by Decreto que regula el Fideicomiso de Riesgo Compartido, published in the Borrower’s Diario Oficial de la Federación on August 6, 2004; or any other successor acceptable to the Bank.

10. “GEF Trust Fund Grant” means the grant extended to the Borrower by the Bank (acting as implementing agency of the Global Environmental Facility) through the GEF Grant Agreement dated May 14, 2009 (TF093134), as amended to the date of this Agreement.


12. “Implementation Team” means the Project implementation team referred to in Section I.A.3.(a) of Schedule 2 to this Agreement.

13. “Indigenous Peoples Planning Framework” means the Borrower’s framework for the Project, dated and published on October 5, 2012, acceptable to the Bank, setting forth specific procedures to be taken to support the participation and involvement of indigenous peoples, if and when requested, in the implementation and monitoring of the Project so that they will not be harmed by the Project, including procedures for the preparation and implementation of the pertinent indigenous peoples plans if required; as said framework may be updated from time to time by agreement between the Borrower and the Bank.

14. “Key Performance Indicators” means the indicators for the monitoring and evaluating progress towards the fulfillment of the Project’s objective.

15. “NAFIN” means Nacional Financiera, S.N.C., a Mexican development bank serving as the Borrower’s financial agent for purposes of the Loan.

16. “Operational Manual” means the Borrower’s manual dated November 2008, and updated on October 16, 2012, acceptable to the Bank, and referred to in Section I.A.2 of Schedule 2 to this Agreement; as said manual may be updated from time to time by agreement between the Borrower and the Bank.

17. “Original Project” means the project described in Schedule 1 to the Loan Agreement entered into between the Borrower and the Bank, dated May 14, 2009 (Loan No. 7652-MX), as amended to the date of this Agreement.

19. "Procurement Plan" means the Borrower's procurement plan for the Project, dated October 17, 2012, 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.

20. "SAGARPA" means the Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación, the Borrower's Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food, or any other successor acceptable to the Bank.

21. "SEPA" means the Bank's publicly accessible procurement plan execution system.

22. "SHCP" means Secretaría de Hacienda y Crédito Público, the Borrower's Ministry of Finance and Public Credit.

23. "Sub-project Grant Agreement" means any of the agreements referred to in Section I.A.4 of Schedule 2 to this Agreement.