His Excellency  
René Gonzalo Orellana Halkyer  
Minister of Development Planning  
Ministry of Development Planning  
Ave. Mariscal Santa Cruz, esq. Oruro Piso 5  
La Paz, Bolivia

Excellency,

Re.: Plurinational State of Bolivia: IDA Credit No. 5003-BO  
Agricultural Innovation and Services Project  
First Amendment to the Financing Agreement

Please refer to the Agreement between the Plurinational State of Bolivia (the Recipient) and the International Development Association (the Association), dated August 22, 2011, for the Agricultural Innovation and Services Project (the Project). The capitalized terms used in this letter (the Amendment Letter) and not defined herein have the meaning ascribed to them in the Financing Agreement.

Pursuant to your letter of request dated January 14, 2015, and the subsequent conversations held between the Recipient and the Association, the Association hereby agrees to amend the Financing Agreement as follows:

1. Part 2(b) (iii) of Schedule 1 is hereby amended to read in its entirety as follows:

“(iii) the carrying out, with INIAF’s support, of technical assistance and rural extension pilots identified by DAFICs;”

2. Section III.B.2 of Schedule 2 is hereby amended to read in its entirety as follows:

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

(a) National Competitive Bidding (NCB), subject to the following additional procedures :
  i. A merit point system shall not be used in the pre-qualification of bidders.
  ii. The award of contracts for goods and Non-consultant Services shall be based exclusively on price and, whenever appropriate, shall also take into account factors similar to those referred to in paragraph 2.51 of the 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.
  iii. All bids shall be opened at the stipulated time and place in accordance with a procedure satisfactory to the Association.
  iv. The single envelope procedure shall be used.
  v. Whenever a discrepancy shall occur between the amounts in figures and in the words of a bid, the amounts in words shall govern.
  vi. No prescribed minimum number of bids shall be required to be submitted for a contract to be subsequently awarded.
  vii. Foreign bidders shall be allowed to participate.
  viii. Foreign bidders shall not be required to legalize any documentation related to their bids with Recipient’s authorities as a prerequisite for bidding.
  ix. No margin of preference shall be granted for any particular category of bidders.
  x. In the event that a bidder whose bid was evaluated as the bid with the lowest evaluated price withdraws its bid, the contract may be awarded to the second lowest responsive evaluated bid.
  xi. Foreign bidders shall not, as a condition for submitting bids, be required to enter into a joint venture agreement with local bidders.
  xii. No procurement rules or regulations of either of the Recipient’s agencies, including INIAF, nor of any Recipient state-owned entity shall apply without the prior review and consent of the Association.
  xiii. Recipient state-owned enterprises shall be allowed to participate in bids only upon their compliance with the provisions of paragraph 1.10(b) of the Procurement Guidelines.
  xiv. No contractor or supplier shall be denied fair and equitable treatment in any resolution of dispute with the Recipient and/or any of its executing agencies; and
  xv. SBDs for NCB shall include anti-corruption clauses that shall be substantially identical to those pertaining to the Association/Bank SBDs for ICB.

(b) Shopping, subject to the additional procedures set forth above for NCB except (iii), (iv), (xii) and (xv).

(c) Limited international Bidding, in accordance with the provisions of paragraph 3.2 of the Procurement Guidelines.

(d) Direct Contracting in accordance with the provisions of paragraphs 3.7 of the Procurement Guidelines.

(e) Force Account in accordance with the provisions of paragraph 3.8 of the Procurement Guidelines.

(f) Community Participation procedures which have been found acceptable to the Association and set forth in the Operational Manual.
Please confirm your agreement with the foregoing amendment by signing and dating this Amendment Letter in the spaces provided below. All other provisions of the Financing Agreement except as amended through this Amendment Letter shall remain in full force and effect. This Amendment Letter shall be executed in two (2) counterparts each of which shall be an original.

The provisions set forth in this Amendment Letter shall become effective upon: (i) the date of the countersignature and receipt by the Association of one fully executed original of this amendment letter; and (ii) the update and adoption of the Operational Manual, acceptable to the Association.

Please also note that the approved Restructuring Paper dated June 8, 2015 will be disclosed on the Association’s external website.

Sincerely,

[Signature]

Alberto Rodriguez
Director
Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

AGREED:

[Signature]

PLURINATIONAL STATE OF BOLIVIA
By: [Signature]

Authorized Representative

Date: 13 AGO 2015

cc: Mr. Alejandro Foxley, Executive Director, World Bank
Ms. Varinia Daza, Senior Advisor to Executive Director, World Bank
Ms. Nemesia Achacollo, Minister of Rural Development and Lands
Mr. Harley Rodríguez, Viceminister of Public Investment and External Financing, MDP
Mr. Hans Mercado, Executive Director, INIAF