Global Environment Facility
Grant Agreement

(Forest Conservation and Sustainability in the Heart of the Colombian Amazon Project)

between

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

and

PATRIMONIO NATURAL FONDO PARA LA BIODIVERSIDAD Y AREAS PROTEGIDAS – PNF

Dated January 21st, 2015
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated January 21st, 2015, entered into between:

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

PATRIMONIO NATURAL FONDO PARA LA BIODIVERSIDAD Y AREAS PROTEGIDAS – PNF ("Recipient" or "PNF").

WHEREAS (A) the Member Country has endorsed the PNF as a direct recipient of the Grant funds;

WHEREAS (B) the Recipient is a legal entity with legal power to enter into this Agreement and perform its obligations as set forth therein;

WHEREAS (C) the Member Country, through MADS, has indicated its intention to provide an in-kind contribution in an amount equal to $3,233,333 to assist in the implementation of the Project, as evidenced by MADS's letter to the World Bank dated September 1, 2014 and reflected in the Inter-institutional Agreement;

WHEREAS (D) the Member Country, through PNN, has indicated its intention to provide an in-kind contribution in an amount equal to $2,233,321 to assist in the implementation of the Project, as evidenced by MADS's letter to the World Bank dated August 21, 2014 and reflected in the Inter-institutional Agreement;

WHEREAS (E) the Member Country, through the State of Caquetá, has indicated its intention to provide an in-kind contribution in an amount equal to $6,607,396 to assist in the implementation of the Project, as evidenced by the State of Caquetá's letter to the World Bank dated August 27, 2014;

WHEREAS (F) the Member Country, though the State of Guaviare, has indicated its intention to provide an in-kind contribution in an amount equal to $2,886,580 to assist in the implementation of the Project, as evidenced by the State of Guaviare's letter to the World Bank dated August 22, 2014;
WHEREAS (G) IDEAM has indicated its intention to provide an in-kind contribution in an amount equal to $960,000 to assist in the implementation of the Project, as evidenced by IDEAM's letter to the World Bank dated September 2, 2014 and reflected in the Inter-institutional Agreement;

WHEREAS (H) SINCHI has indicated its intention to provide an in-kind contribution in an amount equal to $15,012,202 to assist in the implementation of the Project, as evidenced by SINCHI's letter to the World Bank dated August 29, 2014 and reflected in the Inter-institutional Agreement;

WHEREAS (I) USAID has indicated its intention to provide an in-kind contribution in an amount equal to $2,377,139 to assist in the implementation of the Project, as evidenced by USAID's letter to the World Bank dated September 8, 2014; and

WHEREAS (J) The United States Department of Interior has indicated its intention to provide an in-kind contribution in an amount equal to $124,814 to assist in the implementation of the Project as evidenced by the United States Department of Interior's letter to the World Bank dated October 13, 2014.

The World Bank and the Recipient hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The 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 this Agreement.

Article II
The Project

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

(a) carry out Part 1 of the Project with the assistance of PNN;

(b) carry out Part 2 of the Project with the assistance of IDEAM, MADS, and PNN;

(c) carry out Parts 3.A. and 3.B. of the Project with the assistance of MADS, PNN and SINCHI;

(d) cause SINCHI to carry out Part 3.C. of the Project; and
carry out Part 4 of the Project with the assistance of MADS, IDEAM, PNN and SINCHI;

all in accordance with the provisions of Article II of the Standard Conditions, and with the Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III**

**The Grant**

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to ten million four hundred thousand United States Dollars ($10,400,000) (“Grant”) to assist in financing the Project.

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

3.03. The Grant is funded out of the GEF trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the GEF trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV**

**Additional Remedies**

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

(a) The Inter-institutional Agreement or any of its provisions shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient and/or of any of the Partner Entities to perform any of their respective obligations under the Inter-institutional Agreement.

(b) Any of the Partner Entities shall have failed to perform any of its respective obligations under the Inter-institutional Agreement.
(c) The Recipient's Legal Framework shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient to perform any of its obligations under this Agreement.

(d) The Member Country shall have failed to promptly provide to the Recipient the in-kind contributions referred to in the Co-financing letters.

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

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action.

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

(c) The Inter-institutional Agreement has been executed on behalf of the Recipient and each of the Partner Entities, respectively.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a) and (c), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country or the Recipient, showing the following matters, respectively:

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

(b) the Inter-institutional Agreement has been duly authorized or ratified by the Recipient and each of the Partner Entities and is legally binding upon each such party in accordance with its terms.
5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if 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 ninety (90) days after the date of this Agreement (the "Effectiveness Deadline"), unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

5.05 Without prejudice to paragraph 5.04 of this Agreement, the Effectiveness Deadline shall in no case be later than eighteen (18) months after the World Bank's approval of the Grant which deadline expires on June 8, 2016.

**Article VI**

**Recipient's Representative; Addresses**

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Executive Director.

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

*Patrimonio Natural Fondo para la Biodiversidad y Áreas Protegidas – PNF*

Calle 72 No. 12-65 Piso 6
Edificio Skandia
Bogotá, D.C.
Colombia

Telex: 7562602 Facsimile: 7562602-Ext.101
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 Bogotá, Colombia, 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

Authorized Representative

Name: Gerardo M. Corrucho

Title: Director

PATRIMONIO NATURAL FONDO PARA LA BIODIVERSIDAD Y ÁREAS PROTEGIDAS-PNF

By

Authorized Representative

Name: Francisco Alberto Cardín

Title: Director Ejecutivo
SCHEDULE 1

Project Description

The objective of the Project is to improve governance and promote sustainable land use activities in order to reduce deforestation and conserve biodiversity in the Project Area.

The Project consists of the following parts:

Part 1: Protected Areas Management and Financial Sustainability

A. Strengthen the management effectiveness of the PNNSCH and its buffer zone through, *inter alia*, the design and implementation of a management plan for the PNNSCH.

B. Increase the financial sustainability of about 2.7 million hectares of protected areas within the PNNSCH and its buffer zone.

Part 2: Forest Governance, Management and Monitoring

A. Enhance the institutional capacity and financial sustainability for sustainable landscape governance, management, and monitoring of the Project Area.

B. Enhance the institutional capacity to monitor GHG emission reductions in the Project Area.

C. Enhance the capacity of indigenous peoples' authorities for sustainable land-use practices and forest governance within indigenous territories in the Project Area.

D. Support the disclosure of data on reduction of deforestation in the Project Area.

Part 3: Sectoral Programs for Sustainable Landscape Management

A. Support improvement of cross-sectoral policy coordination and consistency to achieve long term-reductions in deforestation in the Project Area.

B. Support the development and adoption of guidelines and programs in, *inter alia*, agriculture, extractive industries and infrastructure sectors, aimed at reducing pressures on forests and biodiversity, and GHG emissions and restoring ecosystems in the Project Area.
C. Support the promotion of sustainable land-use and natural resource management practices that contribute to the restoration of vegetation, reduce pressure on forests and advance the livelihoods of local communities in the Member Country's municipalities of San Jose del Guaviare, Calamar and Cartagena del Chaira.

Part 4: Project Coordination, Management, Monitoring and Evaluation

Strengthen the PCU to ensure coordination, management, monitoring, evaluation, and communication in connection with the implementation of the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall operate and maintain, throughout the implementation of the Project, the PCU, headed by a Project coordinator, with functions, responsibilities and sufficient resources, acceptable to the World Bank, and staffed with competent personnel in adequate numbers, including, but not limited to, a protected areas specialist, an indigenous peoples specialist, a deforestation specialist, a procurement specialist, a financial management specialist, sectoral policies management specialist and a monitoring and evaluation specialist, all with qualifications, experience and terms of reference acceptable to the World Bank. The PCU shall be responsible for, *inter alia*, the day-to-day financial management and procurement activities of the Project.

2. Not later than three (3) months after the Effectiveness Date, the Recipient shall establish with the assistance of the Partner Entities, and thereafter operate and maintain, throughout the implementation of the Project, an EC, with functions, responsibilities and sufficient resources, acceptable to the World Bank, and comprised of qualified representatives from the Recipient and each of the Partner Entities. The EC shall be responsible for, *inter alia*, providing technical guidance to the PCU, and supervising the implementation of the Project.

3. Pursuant to the provisions of the Inter-institutional Agreement, not later than three (3) months after the Effectiveness Date, the Recipient shall ensure that the Member Country, through the MADS, establishes, and thereafter operates and maintains, throughout the period of implementation of the Project, an AC, chaired by MADS, with functions, responsibilities and structure, acceptable to the World Bank, and comprised of qualified representatives from, *inter alia*, the Partner Entities, which shall be responsible for providing non-binding strategic guidance, and assisting in the resolution of inter-sectoral issues under the Project.

4. For the purposes of carrying out Parts 1, 2 and 3 of the Project, the Recipient shall enter into agreements (“Cooperation Agreements”), on terms and conditions acceptable to the World Bank, and further detailed in the POM, with Cooperation Entities of the Member Country.

5. The Recipient shall: (i) prepare and furnish to the World Bank, an Annual Operating Plan of such scope and detail as the World Bank shall have reasonably requested (including, without limitation, a budget and indication of source of funds, the necessary counterpart funds and all measures taken or to be taken in
accordance with the Safeguard Instruments during the implementation of the Project) as follows: (A) for the first year of Project implementation, not later than three months after the Effectiveness Date; and (B) for the second year of Project implementation and then immediately following calendar years of Project implementation, not later than November 30; and (ii) immediately thereafter, implement, and/or cause to be implemented, the adopted Annual Operating Plan in accordance with its terms and in a manner satisfactory to the World Bank.

B. Inter-institutional Agreement

1. For purposes of carrying out the Project, the Recipient shall enter into an agreement ("Inter-institutional agreement") with the Partner Entities, on terms and conditions acceptable to the World Bank, including, inter alia:

   (a) the obligation of the Partner Entities to assist the Recipient in the carrying out of the Project in accordance with the provisions of this Agreement, the pertinent AO, the POM and the Safeguard Documents;

   (b) comply with the provisions of the Anti-Corruption Guidelines; and

   (c) maintain said agreement in full force and effect, throughout the implementation of the Project.

2. The Recipient shall exercise its rights and carry out its obligations under the Inter-institutional Agreement in such a manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce the Inter-institutional Agreement or any provision thereof.

3. In case of any conflict between the provisions of the Inter-institutional Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

C. Sub-grant Agreement

1. For the purposes of carrying out Part 3.C. of the Project, the Recipient shall make available part of the proceeds of the Grant ("the Sub-grant") to SINCHI under an agreement ("the Sub-grant Agreement") to be entered into between the Recipient and SINCHI, under terms and conditions acceptable to the World Bank, and further detailed in the POM.
2. The Recipient shall take all the measures necessary to ensure that, in making the Sub-grant available to SINCHI, it shall obtain rights adequate to protect the interests of the Recipient and those of the World Bank, including the right to:

(a) Suspend or terminate the right of SINCHI to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the failure of SINCHI to perform any of its obligations under the Sub-grant Agreement.

(b) Require SINCHI to:

(i) carry out Part 3.C. of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, and environmental and social standards and practices, acceptable to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of Grant proceeds other than the Recipient, the Safeguard Documents and the POM;

(ii) provide, promptly as needed, the resources required for the purposes of carrying out Part 3.C. of the Project;

(iii) procure the goods and services to be financed out of the proceeds of the Sub-grant in accordance with the provisions of Section III of Schedule 2 to this Agreement;

(iv) enable the Recipient and the World Bank to inspect activities carried out under Part 3.C. of the Project, its operation and any relevant records and documents;

(v) maintain policies and procedures adequate to enable the Recipient to monitor and evaluate, in accordance with indicators acceptable to the World Bank, the progress of the activities carried out under Part 3.C. of the Project and the achievement of its objectives;

(vi) (A) 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 to reflect the operations, resources and expenditures related to Part 3.C of the Project; and (B) have such financial statements audited, on an annual basis, 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 Recipient and the World Bank; and
(vii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request related to the foregoing.

3. The Recipient shall exercise its rights and carry out its obligations under the Sub-grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce the Sub-grant Agreement or any of its provisions.

4. In case of any conflict between the provisions of the Sub-grant Agreement and this Agreement, the provisions of this Agreement shall prevail.

D. Project Operations Manual

1. The Recipient shall carry out the Project in accordance with the provisions of the POM, which sets forth, *inter alia*:

   (a) the detailed description of Project implementation activities, their sequencing and the prospective timeline;

   (b) the detailed description of the division of functions and responsibilities of the Recipient, and each of the Partner Entities in the implementation of the Project;

   (c) the Project administrative, procurement, environmental and social, financial management and disbursement requirements and procedures;

   (d) the plan for the monitoring, evaluation and supervision of the Project; and

   (e) the performance indicators for the Project.

2. In the event of any conflict between the provisions of the POM and those of this Agreement, the terms of this Agreement shall prevail.

E. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the Safeguard Documents. To this end, if an environmental and social management plan or similar safeguard instrument would be required on the basis of the ESMF, the Recipient shall specifically take the following actions, in a manner acceptable to the World Bank:

   (a) such environmental and social management plan or similar safeguard instrument shall all be prepared in accordance with the requirements of the
ESMF, disck sed locally and furnished to the World Bank for approval; and

(b) the pertinent Project activity shall be carried out in accordance with such ESMF, or similar safeguard instrument as approved by the World Bank.

2. The Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the Safeguard Documents, giving details of:

(a) measures taken in furtherance of the Safeguard Documents;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and

(c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the Safeguard Documents.

3. The Recipient shall not assign, amend, abrogate or waive, or permit to be assigned, amended, abrogated or waived, the Safeguard Documents, or any provision thereof without the prior written agreement of the World Bank.

4. The Recipient shall ensure that the terms of reference for any consultancies related to the technical assistance or capacity building activities under the Project shall be acceptable to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the World Bank’s Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance and capacity building activities.

5. The Recipient shall maintain, and publicize the availability of, grievance redress mechanisms to hear and determine fairly and in good faith, and in accordance with the Safeguard Documents, all complaints raised in relation to the implementation of the Safeguard Documents by Project affected persons or communities, and take all measures necessary to implement the determinations made under such grievance redress mechanisms in a manner acceptable to the World Bank.

6. In the event of a conflict among the provisions of any of the Safeguard Documents and those of this Agreement, the provisions of this Agreement shall prevail.

F. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient 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.

B. Financial Management; Financial Reports; Audits

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

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, and shall include the audit of use of funds under Part 3.C. by SINCHI. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works, non-consulting-services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(a) Section I of the Procurement Guidelines, in the case of goods, works, and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants’ services; and
the provision of this Section III, as the same shall be elaborated in the Procurement Plan.

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

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

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

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

C. Particular Methods of Procurement of Consultants' Services

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

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Parts 1, 2, 3.A., 3.B., and 4 of the Project</td>
<td>6,794,872</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants' services, Training and Operating Costs under Part 3.C. of the Project</td>
<td>3,605,128</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>10,400,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
For the purposes of this Section IV.A.:

(a) "Training" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants' services).

(b) "Operating Costs" means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project administration, implementation, monitoring and supervision consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, office rental expenses, freight charges, office (and office equipment) maintenance, utilities, printing, non-durable goods, travel cost and per diem for Project staff for travel linked to the implementation, monitoring and supervision of the Project, and salaries of contractual staff for the Project (but excluding consultants' services and salaries of officials of the Recipient's civil service).

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 prior to this date but on or after September 30, 2014, but in no case more than one (1) year after the date of this Agreement for Eligible Expenditures; and

(b) for Category (2), until the Sub-Grant Agreement, in form and substance acceptable to the World Bank, has been executed by the Recipient and SINCHI.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2019.
APPENDIX

1. “Advisory Committee” or “AC” means the advisory committee established within MADS, referred to in Section I.A.3. of Schedule 2 to this Agreement.

2. “Annual Operating Plan” or “AOP” means each adopted annual operating plan referred to in Section I.A.5. of Schedule 2 to this Agreement.


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

5. “Co-financing Letter” means the Member Country’s letters referred to in the Preamble clauses (C), (D), (E) and (F) to this Agreement.


7. “Cooperation Agreements” means any of the agreements referred to in Section I.A.4. of Schedule 2 to this Agreement, as the same may be amended from time to time, with the prior approval and in a manner satisfactory to the World Bank.

8. “Cooperation Entities” means any public or private legal entity established and operating in the Member Country with a mandate to act on environmental and indigenous people’s issues or operating in sectors related to Part 3 of the Project.

9. “Environmental and Social Management Framework” or “ESMF” means the environmental and social framework, dated July 2014, adopted by the Recipient and the Partner Entities, setting forth mitigation, monitoring, and institutional measures to address environmental and social impacts of Project activities, including impacts on natural habitats, physical cultural resources, indigenous peoples or economically displaced persons, offset negative impacts, or reduce them to acceptable levels, or enhance positive environmental and social impacts, as said ESMF may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such framework, including the guidelines for preparing and implementing Environmental and Social Management Plans.

10. “Executive Committee” or “EC” means the executive committee referred to in Section I.A.2. of Schedule 2 to this Agreement.

12. "IDEAM" means Instituto de Hidrología, Meteorología y Estudios Ambientales, the Member Country's Institute of Hydrology, Meteorology and Environmental Studies, established as a legal entity under the Member Country's Law No. 99, dated 1993 and Decree No. 1227, dated 1994 and operating under the bylaws approved by the Decree No. 2241, dated 1995, or any successor thereto.

13. "Indigenous Peoples Plan" or "IPP" means the indigenous peoples plan covering the indigenous peoples reserves of Puerto Zabalo-Los Monos, Monocha, Aduche, Nonuya de Villazul, Mesai, Miriti-Parana, and Yaguara II, dated September 2014, adopted by the Recipient and the Partner Entities, setting forth, inter alia, the measures to avoid, minimize or mitigate potential Project impacts on indigenous peoples, the process for ensuring free, prior and informed consultation with indigenous peoples required by the World Bank OP/BP 4.10 and the action plan of measures to ensure that indigenous peoples receive culturally appropriate benefits from the Project.

14. "Inter-institutional Agreement" means the agreement referred to in Section I.B. of Schedule 2 to this Agreement, as the same may be amended from time to time, with the prior approval and in a manner satisfactory to the World Bank.


16. "Partner Entities" means IDEAM, MADS, PNN and SINCHI.

17. "PNN" means the Parques Nacionales Naturales de Colombia, the Member Country's National Natural Parks, or any successor thereto.

18. "PNNSCH" means Parque Nacional Natural Serranía de Chiribiquete, the Member Country's Chiribiquete Mountain Ridge National Park.

19. "Process Framework" or "PF" means the framework, dated August 2014, adopted by the Recipient and the Partner Entities, which sets forth the measures to address restrictions of access to legally designated parks and protected areas within the Project Area.

21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 22, 2014, 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.

22. “Project Area” means an area in the territory of the Member Country, which includes the: (i) FNNSCH; (ii) Ariari-Guayabero District of Integrated Management of Natural Renewable Resources located in the Member Country’s municipality of San Jose del Guaviare; (iii) seven indigenous peoples reserves of Puerto Zabalo-Los Monos, Monochoa, Aduche, Nonuya de Villazul, Mesai, Miritti-Parana, and Yiguara II; (iv) reserve areas in the Amazon forests of about 3.52 ha located in the Member Country’s Departments of Caqueta and Guaviare; and (v) an area of about 0.46 ha outside the Amazon forests located in the Member Country’s municipalities of Cartagena del Chaira, Calamar and San Jose del Guaviare.

23. “Project Coordination Unit” or “PCU” means the unit to be established within the Recipient referred to in Section I.A.1. of Schedule 2 to this Agreement.

24. “Project Operations Manual” or “POM” means the manual, dated October 22, 2014, satisfactory to the World Bank, referred to in Section I.D. of Schedule 2 to this Agreement, as the same may be amended from time to time, after the prior approval of the World Bank.

25. “Guidelines for Indigenous Peoples Living in Voluntary Isolation” means the guidelines, dated September 2014, adopted by the Recipient and the Partner Entities, which sets forth, inter alia, the measures to avoid, minimize or mitigate potential Project impacts on indigenous peoples living in voluntary isolation within the Project Area and the action plan of measures to ensure that said Indigenous Peoples receive culturally appropriate benefits from the Project.


27. “Safeguard Documents” means collectively the ESMF, the IPP, the Guidelines for Indigenous Peoples Living in Voluntary Isolation and the PF.

29. "SINCHI" means the Instituto Amazónico de Investigaciones Científicas SINCHI, the Member Country’s Institute for Scientific Research in the Amazon, established and operating as a non-profit legal entity under the Member Country’s Law No. 99, dated December 22, 1993 and Decree 1063, dated July 27, 1994 and organized under the bylaws approved by the Law No. 29, dated 1990 and Decree No. 393, dated 1991, or any successor thereto.


31. “Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets” means the United Nations Convention for Biological Diversity (CBD) overarching framework on biodiversity, including its biodiversity targets, adopted at the Conference of the Parties (COP) to the CBD by COP 10 Decision X/2, dated October 2010.

32. “Sub-grant” means the grant made out of the proceeds of the Grant to SINCHI for the carrying out of Part 3.C. of the Project.

33. “Sub-grant Agreement” means the agreement referred to in Section I.C.1 of Schedule 2 to this Agreement.