

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER TF091844

Global Environment Facility Trust Fund Grant Agreement

**(Latin America: Multi-Country Capacity-Building for Compliance with
the Cartagena Protocol on Biosafety Project)**

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

acting as an Implementing Agency of the Global Environment Facility

and

CENTRO INTERNACIONAL DE AGRICULTURA TROPICAL

Dated May 12, 2008

GEF TRUST FUND GRANT NUMBER TF091844

GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT dated May 12, 2008, entered into between *CENTRO INTERNACIONAL DE AGRICULTURA TROPICAL* (the “Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

The Recipient and the World Bank 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 (the “Standard Conditions”), with the modifications set forth in Section II of 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 Standard Conditions or in Section I of the Appendix to 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 (the “Project”). To this end, the Recipient shall carry out the Project: (a) in collaboration with the National Coordinating Agencies; and (b) by causing the Participating Entities to carry out the Subprojects under Part 1 of the Project, all in accordance with the provisions of Article II of the Standard Conditions, the Cartagena Protocol, and the Convention on Biodiversity.

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 four million United States Dollars (\$4,000,000) (the “Grant”) to assist in financing the Project.

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

**Article IV
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) *Ineligibility.* IBRD or IDA has declared the Recipient ineligible to be awarded a contract financed by IBRD or IDA.

(b) *Event prior to Effectiveness.* 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.

(c) Without limitation to the provisions of Section 4.02(b) of the Standard Conditions, the Recipient has failed, in the opinion of the World Bank, to perform its obligations under Section V of Schedule 2 to this Agreement.

(d) Any Participating Country has: (i) failed to comply with its obligations under the Cartagena Protocol or the Convention on Biodiversity; or (ii) withdrawn from the Cartagena Protocol or the Convention on Biodiversity.

(e) Any National Coordinating Agency or Participating Entity: (i) has ceased to exist in the same legal form as that prevailing as of the date of this Agreement; or (ii) has, in the opinion of the World Bank, undergone a change to its legal character, ownership or control from that prevailing as of the date of this Agreement so as to materially and adversely affect its ability to perform any of its obligations arising under or entered into pursuant to its MOU or Subproject Agreement, respectively.

(f) Any National Coordinating Agency or Participating Entity has failed, in the opinion of the World Bank, to perform any of its obligations under its MOU or Subproject Agreement, respectively.

(g) The Recipient has failed, in the opinion of the World Bank, to perform any of its obligations under the Communication and Public Awareness Project Agreement, so as to materially and adversely affect the implementation of the activities therein described.

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) 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.

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

(c) Each MOU has been executed on behalf of the Recipient and the respective National Coordinating Agency.

(d) The Communication and Public Awareness Project Agreement has been, simultaneously with this Agreement, declared effective by the Bank.

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

(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;

(b) on behalf of the Recipient and each National Coordinating Agency, that each MOU has been duly authorized or ratified by the Recipient and the respective

National Coordinating Agency and is legally binding upon the Recipient and such National Coordinating Agency in accordance with its terms; and

(c) on behalf of the Recipient, that the Operational Manual has been duly adopted by the Recipient in accordance with the applicable laws, regulations, and the Recipient's Organizational Documents.

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 Sections 5.01 and 5.02 ("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, but in no case later than the eighteen (18) months after the World Bank's approval of the Grant which expire on September 25, 2009, 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.

Article VI Recipient's Representative; Addresses

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

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

Centro Internacional de Agricultura Tropical
Apartado Aéreo 6713
Cali
Republic of Colombia

Facsimile:
+57 (2) 445-0073

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:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

**CENTRO INTERNACIONAL DE AGRICULTURA
TROPICAL**

By /s/ Geoffrey Charles Hawtin
Authorized Representative

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

By /s/ Laura Tuck
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the Participating Countries' capacity to implement the Cartagena Protocol through the strengthening of: (a) technical capacity in knowledge generation for biosafety risk assessment and management; and (b) biosafety decision-making capacity.

The Project consists of the following parts:

Part 1: Strengthening of Technical Capacity in Knowledge Generation for Biosafety Risk Assessment and Management.

1. Strengthening of technical capacity for environmental risk assessment and management by the carrying out of Subprojects consisting of one or more of the following activities designed to develop baseline information, tools, strategies and methodologies for the assessment, monitoring and management of gene flow in crop-biodiversity and the potential effects on non-crop (non-target) organisms:
 - (a) compilation and generation of baseline data for tracking and monitoring gene introgression/persistence of novel traits in crop bio-diversity;
 - (b) generation and testing the use of GIS-referenced databases for mapping the distribution of crop/landraces/weedy/wild populations, and gene flow analysis;
 - (c) adaptation and regional standardization of the methodology for large scale monitoring of gene flow;
 - (d) development of crop management strategies and operational guidelines to minimize trans-gene flow;
 - (e) adaptation and regional standardization of methodologies for evaluating effects on non-target organisms;
 - (f) development of crop management strategies and operational guidelines to minimize effects on non-crop (non-target) organisms; and
 - (g) development of strategies for national coordination.

2. Strengthening of technical capacity for socio-economic impact assessments of the costs and benefits associated with the use of transgenic crops and living modified organisms ("LMOs") by the carrying out of Subprojects consisting of one or more of the following activities:

- (a) adaptation of existing methods and tools for socio-economic impact assessment of LMOs to the specific environment of the tropics; and
 - (b) development of skills for analyzing the potential costs and benefits of LMOs in centers of crop diversity.
3. Provision of technical assistance, training and operating costs to the Recipient and the National Coordinating Agencies for use in implementing, managing, supervising and coordinating the Subprojects under Part 1 of the Project.

Part 2: Strengthening Biosafety Decision-Making Capacity.

1. Provision of technical assistance and training in environmental risk assessment, risk management and risk communication to staff and employees of government entities of the Participating Countries, and members of the public and private research community in the Participating Countries that are involved in the biosafety regulatory process, including, *inter alia*, the staff and employees of government bodies involved in the implementation of national biosafety frameworks, as well as members of the biotechnology research and development community (including, *inter alia*, transgenic crop developers, plant breeders, other relevant agricultural science professionals).
2. Provision of technical assistance and training in socio-economic cost/benefit assessment to staff and employees of government entities of the Participating Countries and members of the public and private research community in the Participating Countries that are involved in the bio-safety regulatory process, including, *inter alia*, the staff and employees of government bodies involved in the implementation of national biosafety frameworks, as well as members of the biotechnology research and development community (including, *inter alia*, transgenic crop developers, plant breeders, other relevant agricultural science professionals).
3. Provision of technical assistance, training and operating costs to the Recipient and the National Coordinating Agencies for use in implementing, managing, supervising and coordinating the activities under Part 2 of the Project.

SCHEDULE 2**Project Execution****Section I. Institutional and Other Arrangements****A. Institutional Arrangements**

1. The Recipient shall carry out the Project in accordance with the provisions of:
 - (a) this Agreement, the Standard Conditions, the Consultant Guidelines and the Procurement Guidelines;
 - (b) the Operational Manual, including, *inter alia*, the Procurement Plan and the recommendations of the EA;
 - (c) the MOUs; and
 - (d) the Subproject Agreements.
2. The Recipient shall cause each National Coordinating Agency to carry out its activities under the Project in accordance with the provisions of:
 - (a) this Agreement, the Standard Conditions, the Consultant Guidelines and the Procurement Guidelines;
 - (b) the Operational Manual, including, *inter alia*, the Procurement Plan and the recommendations of the EA; and
 - (c) its respective MOU.
3. The Recipient shall cause each Participating Entity to carry out its respective Subproject(s) in accordance with the provisions of:
 - (a) this Agreement, the Standard Conditions, the Consultant Guidelines and the Procurement Guidelines;
 - (b) the Operational Manual, including, *inter alia*, the Procurement Plan and the recommendations of the EA; and
 - (c) its respective Subproject Agreement.
4. For purposes of carrying out the Project, the Recipient shall during the implementation of the Project:

- (a) maintain a project coordinator to coordinate and manage the Project with adequate administrative support, all with terms of reference satisfactory to the World Bank (the “Project Coordinator”); and
 - (b) constitute and maintain a project management committee (the “Project Management Committee”): (i) composed of the Project Coordinator, who serves as the chair of the committee and the representative of the Recipient, and representatives of each of the National Coordinating Agencies; and (ii) for the purposes described in the Operational Manual, *inter alia*, of reviewing and approving all work plans, resource allocations for Subprojects, and the supervision and monitoring of the activities of the Project.
5. The Recipient shall enter into an agreement with each National Coordinating Agency (each, an “MOU”), substantially in the form incorporated in the Operational Manual and under terms and conditions satisfactory to the World Bank, including, *inter alia*, provisions that:
- (a) affirm such National Coordinating Agency’s commitment to the objective of the Project;
 - (b) incorporate the applicable provisions of this Agreement, the Standard Conditions, the Consultant Guidelines, the Procurement Guidelines and the Operational Manual, including, *inter alia*, the Procurement Plan and the recommendations of the EA;
 - (c) define the respective roles and obligations of such National Coordinating Agency in the Project, including, *inter alia*, its obligation: (i) to ensure broad stakeholder participation during the implementation of the Project; (ii) to deliver to the Recipient such technical reports and other information regarding its respective Participating Country that may relate to, or be relevant for, the Project; (iii) to ensure the quality of inputs and outputs from Participating Entities and other participants in the Project located in its respective Participating Country; (iv) to participate in the Project Management Committee; and (v) to carry out its activities under the Project in accordance with the provisions of this Agreement, the Standard Conditions, the Consultant Guidelines, the Procurement Guidelines, the Operational Manual, including, *inter alia*, the Procurement Plan and the recommendations of the EA, the Cartagena Protocol and the Convention on Biodiversity;
 - (d) specify the monetary or in-kind counterpart contributions to the Project to be made by such National Coordinating Agency or its respective Participating Country;

- (e) require that such National Coordinating Agency 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 its activities under the Project;
 - (f) ensure that all bidding documents and contracts in connection with expenditures financed with proceeds of the Grant are consistent with this Agreement, the Procurement Guidelines, the Consultant Guidelines, the Operational Manual, including, *inter alia*, the Procurement Plan and the recommendations of the EA; and
 - (g) enable the World Bank's representatives and any auditors for the Project:
 - (i) to visit any facilities and sites related to its respective activities under this Project; and
 - (ii) to examine any of the goods financed out of the proceeds of the Grant for its activities under the Project, and any plants, installations, sites, works, buildings, property, equipment, records and documents relevant to the performance of its obligations under this Agreement or its respective MOU.
6. The Recipient shall furnish the World Bank with a copy of each MOU signed by all of the parties thereto.

B. Specific Procedures for Subprojects

1. For purposes of carrying out the Subprojects under Part 1 of the Project, the Recipient shall:
- (a) provide the World Bank with a list of all of the proposed Participating Entities that have been selected and shall provide the World Bank with such information concerning the selection of those Participating Entities as the World Bank may from time to time reasonably request, including, *inter alia*:
 - (i) any *actas*, minutes, or other documents reflecting the deliberations and process by which the selections of the Participating Entities were made;
 - (ii) a description of such Subproject and the expenditures to be incurred therein;
 - (iii) a detailed description of how such Subproject meets the eligibility criteria set forth in the Operational Manual; and

- (iv) evidence that the Participating Entity holds the corresponding governmental permits required (if any) for carrying out the activities planned under such Subproject; and
- (b) before transferring any proceeds of the Grant from the Designated Account to a Participating Entity, enter into an agreement with the Participating Entity carrying out such Subproject (a “Subproject Agreement”), substantially in the form incorporated in the Operational Manual and under terms and conditions satisfactory to the World Bank, including, *inter alia*, provisions that:
- (i) describe the specific activities to be carried out under such Subproject and the expenditures to be financed with the proceeds of the Grant;
 - (ii) transfer to each Participating Entity on a grant basis, a portion of the proceeds of the Grant allocated under Category (3);
 - (iii) enable the Recipient, upon notice to the Participating Entity, to suspend any further transfers of proceeds from the Grant should the World Bank determine that any of the activities under such Subproject fails to satisfy the eligibility criteria specified in the Operational Manual or is otherwise inconsistent with the objective of Project;
 - (iv) affirm such Participating Entity’s commitment to the objective of the Project;
 - (v) define the respective roles and obligations of such Participating Entity in the carrying out its Subproject, including, *inter alia*, the obligation to carry out such Subproject in accordance with the provisions of this Agreement, the Standard Conditions, the Consultant Guidelines, the Procurement Guidelines, the Operational Manual, the Cartagena Protocol and the Convention on Biodiversity;
 - (vi) incorporate the applicable provisions of this Agreement, the Standard Conditions, the Consultant Guidelines, the Procurement Guidelines and the Operational Manual, including, *inter alia*, the Procurement Plan and the recommendations of the EA;
 - (vii) require that such Participating Entity 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 its Subproject;

- (viii) require that such Participating Entity provide the Recipient with timely, periodic reports on their specific use of the proceeds of the Grant;
- (ix) ensure that all bidding documents and contracts in connection with expenditures financed with proceeds of the Grant are consistent with this Agreement, the Procurement Guidelines, the Consultant Guidelines, the Operational Manual, including, *inter alia*, the Procurement Plan and the recommendations of the EA; and
- (x) enable the World Bank's representatives and any persons auditing the Project: (A) to visit any facilities and sites related to its respective Subproject; and (B) to examine any of the goods financed out of the proceeds of the Grant for its Subproject, and any plants, installations, sites, works, buildings, property, equipment, records and documents relevant to the performance of its obligations under this Agreement or its respective Subproject Agreement.

2. The Recipient shall furnish the World Bank with a copy of each Subproject Agreement signed by all of the parties thereto.

C. Operational Manual and Other Implementation Provisions

1. The Recipient shall carry out, or cause the carrying out of the Project, in accordance with the provisions of a manual, in form and substance satisfactory to the World Bank (the "Operational Manual"), that shall contain the policies and procedures for carrying out, monitoring and evaluating the Project, including, *inter alia*:
 - (a) the detailed procedures for coordinating the implementation, monitoring and evaluation of all Parts of the Project, including, *inter alia*, the detailed criteria and procedures for selecting and carrying out the Subprojects, including, *inter alia*:
 - (i) the steps of the process for selecting the Participating Entities that will participate in Part 1 of the Project through the carrying out of Subprojects;
 - (ii) the timing for preparing, negotiating and signing the Subproject Agreement; and

- (iii) the preparation of an implementation plan for each Subproject with the participation of the respective Participating Entity;
 - (b) the procurement and financial management requirements and procedures for the Project, including, *inter alia*, the structure and procedures for the flow of all proceeds of the Grant including the transfer of proceeds from the Recipient to each National Coordinating Agency and each Participating Entity;
 - (c) the functions, responsibilities, structure and key staff of the Recipient that will be responsible for coordinating the implementation, monitoring and evaluation of the Project;
 - (d) the powers, functions, responsibilities, structure and key staff of the Project Management Committee;
 - (e) the model forms of MOU and Subproject Agreement; and
 - (f) the procurement, financial management and disbursement requirements, procedures, and documentation (including standard bidding documents) for the Project.
2. The Recipient shall exercise its rights under the MOUs and the Subproject Agreements in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant.
 3. Except as the World Bank shall otherwise agree, the Recipient shall not amend, waive or fail to enforce any MOU, any Subproject Agreement, the Operational Manual, or any provision thereof. In case of any conflict between the terms of this Agreement and those of any MOU, any Subproject Agreement, or the Operational Manual, the terms of this Agreement shall prevail.

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 the Indicators. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month 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 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. 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, Non-Consulting Services, and consulting 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 goods and Non-Consulting Services, 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 and Annex A to this Schedule 2, as the same shall be elaborated in the Procurement Plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines.
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 Goods and Non-Consulting Services

1. **National Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and Non-Consulting Services shall be procured under contracts awarded on the basis of National Competitive Bidding, to the additional provisions set forth in Section I of Annex A to this Schedule 2.
2. **Other Methods of Procurement of Goods and Non-Consulting Services.** The following methods, other than National Competitive Bidding, may be used for procurement of goods and Non-Consulting Services for those contracts specified in the Procurement Plan: (a) Shopping; and (b) in the case of procurement by the Recipient, the Recipient's Established Private or Commercial Practices which have been described in the Operational Manual and found acceptable to the World Bank.

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 in accordance with the provisions set forth in Section II of Annex A to this Schedule 2.
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) Selection under a Fixed Budget; (b) Selection based on Consultants' Qualifications; (c) Single-source Selection; and (d) 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, excluding any expenditures related to the planting of transgenic crops.

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:

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in USD)</u>	<u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u>
(1) Goods, Non-Consulting Services, consultants’ services, Training, and Operating Costs under Part 1 of the Project except as covered by Category (3) below)	1,969,000	100%
(2) Goods, Non-Consulting Services, consultants’ services, Training, and Operating Costs under Part 2 of the Project	52,000	100%
(3) Goods, Non-Consulting Services, consultants’ services and Training financed by Subproject Grants	1,979,000	100%
TOTAL AMOUNT	4,000,000	

3. Capitalized terms used in the table in paragraph 2 above are defined in the Appendix to this Agreement.

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 referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2011.

Section V. Other Undertakings

Notwithstanding any provisions to the contrary in this Schedule, the Recipient shall ensure that:

- (a) none of the proceeds of the Grant will be used, directly or indirectly, by either the Recipient or any Participating Entity, for the planting of transgenic crops;
- (b) the activities carried out under the Project do not include: (a) the planting of transgenic crops; or (b) the requesting or processing of licenses for the planting of transgenic crops; and
- (c) neither the Recipient nor any other party involved in the implementation of the Project, including, *inter alia*, the National Coordinating Agencies and the Participating Entities, shall enter into any agreement with a party not involved in the implementation of the Project providing for the use or potential use of data resulting from the Project.

Annex A
to
SCHEDULE 2

Additional Provisions Relating to
Particular Methods of Procurement

Section I. Goods and Non-Consulting Services

Without limitation upon the provisions of Schedule 2 to this Agreement or the Procurement Guidelines, the following additional provisions shall apply to all goods and Non-Consulting Services procured for the Project (pursuant to Section III of Schedule 2 to this Agreement) under contracts awarded on the basis of National Competitive Bidding (“NCB Contracts”):

1. The Recipient shall submit all forms and models of requests for quotations and bidding documents that it or any National Coordinating Agency or Participating Entity proposes to use for the procurement of goods and Non-Consulting Services under NCB Contracts to the World Bank for its approval before it issues its first invitation for bids for any of the NCB Contracts for the Project. Except as the World Bank shall otherwise agree, neither the Recipient nor any National Coordinating Agency or Participating Entity, as applicable, shall revise or otherwise modify or change the bidding documents that have been approved by the World Bank in accordance with the foregoing sentence (the “Approved Bidding Documents”).
2. Each bid shall be evaluated and the corresponding contract awarded to the responsive bidder: (a) who meets the appropriate technical and financial standards or capabilities; and (b) whose bid has been determined to be the lowest evaluated bid. Such determination shall be made exclusively on the basis of the specifications, conditions and evaluation criteria stipulated in the Approved Bidding Documents. If the bid evaluation will consider any factor other than the amount or amounts of each bid, the Approved Bidding Documents will precisely stipulate and describe each such factor, including, *inter alia*, the manner in which such factor will be quantified and given a relative weight for purposes of determining the lowest evaluated bid. The award of contracts for goods and Non-Consulting Services shall be based exclusively on price and, whenever appropriate, shall 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. For purposes of bid evaluation and comparison, the only bid amount or amounts to be used as a factor shall be the bid amount or amounts as quoted in the corresponding bid, as such bid may be corrected by the Recipient, National Coordinating Agency or Participating Entity, as applicable, for arithmetic errors.

3. Bidders that are not located in a Participating Country shall be allowed to participate and shall not, as a condition for participating in the bidding process, be required to:
 - (a) be registered in a Participating Country's territory;
 - (b) have a representative in a Participating Country's territory;
 - (c) enter into a joint venture agreement with local bidders; or
 - (d) legalize their bids or any documentation related to such bids with an embassy or consulate of a Participating Country, a Participating Country's Ministry of Foreign Affairs, or any other governmental authority or representative of a Participating Country, as a pre-condition to participating in the bidding process.
4. No reference value shall be required for publication in the bidding documents and call for bids.
5. Any standards and technical specifications (quoted in the bidding documents) which are at least substantially equivalent to the standards and technical specifications of the Recipient or such National Coordinating Agency or Participating Entity, as applicable, shall be acceptable.
6. No minimum number of responsive proposals shall be required prior to awarding a contract for goods or Non-Consulting Services.
7. No margin of preference shall be granted for any particular category of bidders.
8. The Recipient, National Coordinating Agency or Participating Entity, as applicable, shall open, or cause the opening of, all bids at the stipulated time and place in accordance with a procedure satisfactory to the World Bank.
9. No other procurement rules or regulations of the Recipient, National Coordinating Agency or Participating Entity shall apply without the prior review and approval of the World Bank.

Section II. Selection of Consultant Services

Without limitation upon the provisions of Schedule 2 to this Agreement or the Consultant Guidelines, the following additional provisions shall apply to all consultants' services procured for the Project (pursuant to Section III of Schedule 2 to this Agreement):

1. Consultants that are not located in a Participating Country will be allowed to participate and will not, as a condition for participating in the selection process, be required to:

- (a) be registered in a Participating Country's territory;
 - (b) have a representative in the Participating Country's territory;
 - (c) enter into a joint venture agreement with consultants in a Participating Country, unless the conditions stated in paragraph 1.12 of the Consultant Guidelines are met; or
 - (d) legalize their proposals or any documentation related to such proposals with an embassy or consulate of a Participating Country, Participating Country's Ministry of Foreign Affairs, or any other governmental authority or representative of Participating Country, as a pre-condition to participating in the selection process.
2. No minimum number of responsive proposals shall be required prior to awarding a contract for consulting services.

APPENDIX**Section I. Definitions**

1. “Approved Bidding Documents” has the meaning given to it in paragraph 1 of Section I of Annex A to Schedule 2 to this Agreement.
2. “Cartagena Protocol” means the Cartagena Protocol on Biosafety to the Convention on Biodiversity that entered into force on September 11, 2003.
3. “Communication and Public Awareness Project Agreement” means the grant agreement, of same date as this Agreement, entered into by the Recipient and the World Bank for the Latin America: Communication and Public Awareness Capacity-Building for Compliance with the Cartagena Protocol on Biosafety Project (GEF MSP Grant No. TF092071).
4. “Consultant Guidelines” has the meaning given to it in paragraph 1(a) of Section III.A of Schedule 2 to this Agreement.
5. “Convention on Biodiversity” means the Convention on Biological Diversity that entered into force on December 29, 1993.
6. “EA” means the Environmental Assessment Report dated December 19, 2006, that was approved by the World Bank, as the same may be amended, supplemented or otherwise modified from time to time with the consent of the Bank.
7. “Indicators” means the impact, performance and implementation indicators set forth in a supplemental letter of even date herewith.
8. “LMO” has the meaning given to it in paragraph 2 of Part 1 of the Project.
9. “MOU” has the meaning given to it in paragraph 5 of Section I.A of Schedule 2 to this Agreement. “MOUs” means collectively, all such agreements.
10. “National Coordinating Agency” means any of the following: *Empresa Brasileira de Pesquisa Agropecuaria; Instituto Alexander von Humboldt; Consejo Nacional de Medio Ambiente; and Universidad de Costa Rica*. “National Coordinating Agencies” means collectively, all of such agencies and entities.
11. “NCB Contracts” has the meaning given to it in Section 1 of Annex A to Schedule 2 to this Agreement.
12. “Non-Consulting Services” means expenditures covered by the Procurement Guidelines (other than those expenditures for Operating Costs or Training)

incurred by the Recipient for the purposes of the Project and directly related to the activities of the Project that consist of costs related to the logistics of providing Training (such as the costs of service providers arranging the travel of participants and arranging and providing the facilities and equipment necessary for Training events), communications and printing services.

13. “Operational Manual” has the meaning given to it in paragraph 1 of Section I.C of Schedule 2 to this Agreement, as the same may be amended, supplemented or otherwise modified from time to time with the consent of the World Bank.
14. “Operating Costs” means reasonable expenditures (other than those expenditures for goods, Non-Consulting Services, consultants’ services, and Training) that the World Bank agrees have been reasonably incurred by the Recipient or a National Coordinating Agency in connection with incremental recurrent costs associated with the implementation of the Project by the Recipient or such National Coordinating Agency, including, *inter alia*: (a) salaries of staff and personnel of the Recipient and any National Coordinating Agency that is not a government agency or a state-owned entity; (b) travel and *per diem* costs of staff and personnel of the Recipient or a National Coordinating Agency working on the Project; (c) costs for utilities and communications (including Internet connectivity); (d) costs for the maintenance of facilities and vehicles; (e) costs for consumable materials and supplies; (f) costs for logistics support and project support services; and (g) such other reasonable expenses incurred by the Recipient or a National Coordinating Agency that have been approved by the World Bank prior to being incurred.
15. “Participating Country” means any of the following: the Federative Republic of Brazil, the Republic of Colombia, the Republic of Costa Rica, and Republic of Peru. “Participating Countries” means collectively, all such countries.
16. “Participating Entity” means any entity that will be carrying out a Subproject under Part 1 of the Project. “Participating Entities” means collectively, all such entities.
17. “Procurement Guidelines” has the meaning given to it in paragraph 1(a) of Section III.A of Schedule 2 to this Agreement.
18. “Procurement Plan” means the procurement plan prepared by the Recipient for the Project, dated and approved by the World Bank on February 21, 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.
19. “Project Coordinator” has the meaning given to it in paragraph 4(a) of Section I.A of Schedule 2 to this Agreement.

20. “Project Management Committee” has the meaning given to it in paragraph 4(b) of Section I.A of Schedule 2 to this Agreement.
21. “Recipient’s Organizational Documents” means, collectively: (a) Public Deed No. 4717 dated October 18, 1967, filed in the Republic of Colombia; (b) Resolution No. 4939 dated December 4, 1967 of the Ministry of Justice of the Republic of Colombia; and (c) the Constitution of the Recipient attached as the Annex to the Agreement between the World Bank and the United Nations Development Programme on the Establishment of the *Centro Internacional de Agricultura Tropical* dated May 28, 1986.
22. “Standard Conditions” has the meaning given to it in Section 1.01 of this Agreement.
23. “Subproject” means a set of one or more of the activities described in Part 1.1 or 1.2 of the Project to be carried out by a Participating Entity, which may involve field work, lab work, surveys, compilation, analysis and testing of data, and training. “Subprojects” means collectively, all such activities.
24. “Subproject Agreement” has the meaning given to it in paragraph 1(b) of Section I.B of Schedule 2 to this Agreement. “Subproject Agreements” means collectively, all such agreements.
25. “Subproject Grants” means, collectively, the grants to the Participating Entities made from the proceeds of the Grant in accordance with the procedures described in the Operational Manual for expenditures that the World Bank agrees have been reasonably incurred by the Participating Entity in connection with an approved Subproject under Part 1 of the Project, including, *inter alia*, expenditures for agricultural inputs and services, field equipment, field tools, computer equipment and software, furniture, small lab equipment, lab materials and supplies, lab testing services, research fellowships, and training.
26. “Training” means reasonable expenditures (other than those expenditures for consultants’ services, Non-Consulting Services and Operating Costs) incurred by the Recipient for the purposes of the Project and directly related to the activities of the Project, including, *inter alia*, costs related to: (i) training materials; (ii) local and foreign travel costs and *per diems* for trainees; (iii) scholarships and fellowships for training courses to be provided in the Participating Countries’ territory or in foreign countries; and (iv) study tours and internships in the Participating Country’s territory or in foreign countries.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

The definition of “Member Country” in paragraph 17 of the Appendix to the Standard Conditions shall be amended and replaced in its entirety with the following text:

“Member Country” means any of the following: the Federative Republic of Brazil, the Republic of Colombia, the Republic of Costa Rica, and/or Republic of Peru, and any of the political or administrative subdivisions of said countries.