

GEF GRANT NUMBER TF0A6056

Global Environment Facility Grant Agreement

(Amazon Sustainable Landscapes Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

acting as an Implementing Agency of the Global Environment Facility

and

CONSERVATION INTERNATIONAL DO BRASIL (CI-BRAZIL)

Dated *December 19, 2017*

GEF GRANT NUMBER TF0A6056

**GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT**

AGREEMENT dated December 19, 201~~7~~ entered into between:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”); and CONSERVATION INTERNATIONAL DO BRASIL, (“Recipient” or “CI-Brazil”);

WHEREAS (A), the Recipient is an entity established and operating under the laws of the Member Country and has the legal capacity to enter into this Agreement and performs its obligations, as set forth herein;

WHEREAS (B), the World Bank acting as an implementing agency of the GEF, intends to extend a grant to FUNBIO in an amount of thirty million Dollars (\$30,000,000) (the FUNBIO Grant) to assist in financing Part I of the project described in Schedule 1 to this Agreement (the Project) on the terms and conditions set forth in an agreement to be entered between the World Bank and FUNBIO (the FUNBIO Grant Agreement);

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 objectives of the Project described in Schedule 1 to this Agreement. To this end, the Recipient shall carry out Parts II, III and IV of the Project with the assistance of MMA, ICMBio, SFB and the States in respect of the activities under Parts II, III and IV of the Project within their territorial or administrative jurisdiction, all in accordance with the obligations set forth in this Agreement, in the provisions of Article II of the Standard Conditions and the CI-Brazil Implementation Agreements.

- 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 performance of its own obligations under 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 not to exceed thirty million three hundred thirty thousand Dollars (\$30,330,000) (“Grant”) to assist in financing of Parts II, III and IV of 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 abovementioned 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 abovementioned 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 Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:
- (a) The Applicable Legislation shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the reasonable opinion of the World Bank, the ability of the Recipient, MMA, ICMBio, SFB or the pertinent State to perform any of their obligations under this Agreement or the corresponding CI-Brazil Implementation Agreement, provided, however, that the suspension of the Recipient’s right to make withdrawals from the Grant Account may be limited by the World Bank to withdrawals in respect of Project expenditures incurred or to be incurred by MMA, ICMBio, SFB or the pertinent State.
 - (b) MMA, ICMBio and/or SFB shall have failed to perform any of their obligations under their respective CI-Brazil Implementation Agreement, provided, however, that the suspension of the Recipient’s right to make

withdrawals from the Grant Account may be limited by the World Bank to withdrawals in respect of Project expenditures incurred or to be incurred by MMA, ICMBio and/or SFB.

- (c) Any State shall have failed to perform any of its respective obligations under the corresponding CI-Brazil State Cooperation Agreement provided, however, that the suspension of the Recipient's right to make withdrawals from the Grant Account under the terms of this Agreement may be limited by the World Bank to withdrawals in respect of Project expenditures incurred or to be incurred by said State.
- (d) 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 under the terms of this Agreement, if this Agreement had been effective on the date of such event.
- (e) The World Bank has suspended in whole or in part the right of FUNBIO to make withdrawals under the FUNBIO Grant Agreement because of a failure by FUNBIO to perform any of its obligations under the FUNBIO Grant Agreement.

Article V Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.
- (a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary corporate action.
 - (b) The CI-Brazil Implementation Agreements have been executed on behalf of the respective parties thereto.
 - (c) The Project Operational Manual has been adopted by the Recipient and MMA, all in a manner and with contents acceptable to the World Bank.
 - (d) The Recipient has retained a procurement specialist under terms of reference acceptable to the World Bank and in accordance with the provisions set forth in Section III of Schedule 2 to this Agreement.

- (e) The FUNBIO Grant Agreement has been executed and delivered and all conditions precedent to the effectiveness of said agreement (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing 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.
- 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 under the terms of this Agreement 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 120 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the 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 its Vice-President.
- 6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:
- Avenida Rio Branco, 131
8° andar
Centro, CEP 20.040-006
Rio de Janeiro, Brazil
- Facsimile:
+ 55 (21) 21736360

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


Telex: Facsimile:

248423 (MCI) or 1-202-477-6391
64145 (MCI)

AGREED at _____, 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



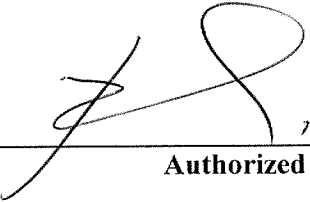
Authorized Representative

Name: Martin Raiser

Title: Director

**CONSERVATION INTERNATIONAL
DO BRASIL**

By



Authorized Representative

Name: Rodrigo Melibas

Title: Vice-President

Witnessed by



SCHEDULE 1 Project Description

The objectives of the Project are to: (a) expand the area under legal protection and improve management of Protected Areas; and (b) increase the area under restoration and sustainable management in the Brazilian Amazon.

The Project consists of the following parts:

Part I: Amazon Protected Areas System

Financing the Capitalization of the Transition Fund to:

- (a) create new Protected Areas in the Amazon Region through: (i) the identification of new areas to be designated as Protected Areas; (ii) the carrying out of required environmental, socioeconomic and land tenure assessments; and (iii) the preparation of the necessary regulatory framework and the delimitation of the new Protected Areas;
- (b) consolidate new and existing Protected Areas in the Amazon Region through: (i) the provision of technical assistance on the management of the consolidation process; (ii) the carrying out of works in the Protected Areas, including, *inter alia*, the construction and rehabilitation of visitor centers, offices and guard posts; (iii) the preparation, implementation and monitoring of management plans for the Protected Areas; (iv) the carrying out of biodiversity monitoring in the Protected Areas; (v) the implementation of local and traditional community activities, such as, *inter alia*, environmental education, leadership training, and strengthening of productive value chains; (vi) improving coordination and institutional strengthening of local communities and organizations; and (vii) the provision of training to key staff on management of Protected Areas;
- (c) maintain and strengthen the functioning of consolidated Protected Areas through: (i) the carrying out of Protected Areas maintenance and management activities; (ii) the carrying out of biodiversity monitoring and research in the Protected Areas; (iii) the revision and implementation of Protected Areas management plans; (iv) the carrying out of surveillance and protection activities; (v) infrastructure maintenance; (vi) the maintenance and replacement of Protected Areas equipment, including, *inter alia*, boats, vehicles, office and house furniture, equipment and supplies; (vii) the provision of support to Protected Areas Council activities; and (viii) the carrying out of training on Protected Areas maintenance;
- (d) strengthen the coordination, management and monitoring of the ARPA Program, and improving the communication among stakeholders involved in the ARPA Program through: (i) the carrying out of activities to strengthen dialogue between all involved parties; (ii) the operation of the Technical Forum, the Managers

Commission, the Scientific Advisory Panel, the Program Committee, and the Transition Fund Committee; (iii) the supervision of the ARPA Program implementation and financial execution; (iv) the carrying out of communication activities on the ARPA Program, including, *inter alia*, participation in national and international meetings, and design and production of communication materials; and (v) the management of the Transition Fund, including, *inter alia*, procurement, financial management and the development and improvement of management systems (*Contas Vinculadas* and *Cérebro*); and

- (e) secure the long-term financial sustainability of Protected Areas in the Amazon Region through the provision of technical assistance for the development and implementation of strategies to generate additional revenue for the Transition Fund.

Part II. Integrated Landscape Management

Promote integrated landscape management in the Selected Areas through, *inter alia*:

- (a) the development of sustainable production systems through: (i) the provision of training to producers, harvesters and extension agents on good harvesting, extraction and product processing practices; (ii) the carrying out of forest inventories and preparation of management plans for the small-scale production of forest products; (iii) the provision of training to farmers and technicians on sustainable agricultural practices such as, agroforestry and integrated rural planning approaches at the farm level; (iv) the provision of leadership training and institutional and cooperative capacity building to academia, federal and State entities, civil society entities, and community associations; and (v) the implementation of sustainable agricultural and sustainable forest harvesting practices demonstration plots in land owned by the Member Country or the States of Amazonas, Pará, Rondônia or Acre;
- (b) the consolidation of productive value chains through: (i) the development of business plans for selected productive chains; (ii) the installation of processing units; (iii) the improvement of laboratories for product testing, quality control and certification; (iv) the development of fisheries agreements including management plans for fisheries and their implementation; and (v) identifying and fostering demand for non-timber and socio-biodiversity products;
- (c) improving the value chain for the recovery of native vegetation through: (i) the carrying out of analytical work to identify potential best practices for key value chains, including cattle ranching; (ii) the provision of training to extension agents and rural producers in areas such as seed collection and improvement, seedling generation, and restoration techniques; (iii) the provision of support to nurseries including the provision of equipment; (iv) the fostering of seed improvement for native species; (v) the mapping of seed and seedling suppliers; (vi) the carrying

out of Vegetation Recovery Activities on public and private lands (e.g., regeneration, enrichment, planting, agroforestry systems); and (vii) field monitoring of restoration activities;

- (d) strengthening the integrated management of Protected Areas through: (i) the preparation, revision and implementation of Protected Area management plans; (ii) the carrying out of improvement works in surveillance infrastructure; (iii) the carrying out of meetings of, or the support of and between Protected Area management councils; (iv) the design and implementation of integrated management models between Protected Areas; (v) the provision of training of managers to disseminate the new management models; (vi) the preparation and dissemination of material on the tourism potential of Protected Areas; (vii) the provision of training and capacity building for tourism agents on community-based tourism and sustainable use Protected Areas with tourism potential; (viii) the development of assessments and protocols for biodiversity monitoring in line with the Protected Areas and integrated landscape management conservation strategies; and (ix) biodiversity monitoring; and
- (e) strengthening compliance with the Ramsar Convention through: (i) the carrying out of studies for the establishment and implementation of Ramsar Sites; and (ii) the implementation of innovative management mechanisms.

Part III. Policies for Protection and Recovery of Native Vegetation

- (a) Strengthening the implementation of Applicable Legislation in the Selected Areas through, *inter alia*:
 - (i) Supporting the CAR through: (1) the provision of technical assistance and training to relevant State bodies for the analysis of cadastral entries; and (2) the customization of analysis modules (online platforms) to adapt them for each State and increase efficiency.
 - (ii) Supporting PRADA through: (1) the provision of training for State environmental personnel and contracted agents on the elaboration of PRADAs; (2) the provision of technical assistance to the State teams responsible for the elaboration of PRADAs in the field; (3) the carrying out of field validation of the decision trees to facilitate PRADA elaboration; (4) the carrying out of studies to develop analytical and monitoring mechanism for PRADA implementation; and (5) the development of platforms and other dissemination tools.
 - (iii) Supporting the implementation of PROVEG through, *inter alia*: (1) the implementation of PLANAVEG strategies in the Amazon; (2) the monitoring and evaluation of PLANAVEG implementation; (3) the operationalization of CONAVEG; and (4) supporting the implementation

of the Alliance for Restoration in the Amazon through, *inter alia*, the carrying out of studies to strengthen restoration activities in the Amazon Region.

- (iv) Supporting the management of public forests through: (1) the elaboration of management plans for Protected Areas with concession potential; (2) the carrying out of viability studies for concessions; (3) the provision of training for parobotanists to improve forest inventories; (4) the establishment of mechanisms for monitoring and traceability of wood, through the development of chips and barcodes, with a view to controlling the trade in illegal timber; and (5) the development and implementation of models for reforestation concessions in degraded public forests.
 - (v) Supporting the development and implementation of State policies for the protection and recovery of native vegetation through the carrying out of: (1) feasibility studies of potential new policies; (2) studies to strengthen implementation of existing policies; (3) policy monitoring and evaluation; and (4) public consultation and validation.
- (b) Improving the capacity of the relevant entities in the Member Country's territory for monitoring forest restoration through *inter alia*: (i) the provision of training of the PMABB Actors; (ii) the strengthening of the institutional capacity of the agencies responsible for vegetation monitoring; (iii) the carrying out of workshops and technical studies to fill existing knowledge gaps; (iv) improved monitoring and methodologies for native vegetation recuperation; (v) the acquisition of equipment; and (vi) the creation and implementation of a national system for monitoring native vegetation recovery, to be integrated in the SICAR.
 - (c) Identifying improvements to the financial incentives for farmers to invest in restoration activities through, *inter alia*, the carrying out of meetings, workshops and studies to enable decision making on financial instruments supporting producers.

Part IV. Capacity Building, Cooperation and Project Coordination

- (a) Improving implementation capacity and collaboration within Project Entities and across sectors through, *inter alia*: (i) the participation of Brazilian stakeholders in regional knowledge exchange efforts and study tours; (ii) strengthening collaborative environmental management with official counterparts in the Republic of Peru and the Republic of Colombia; (iii) the development and implementation of training materials, structured lectures, seminars and short-term international internships; (iv) the systematization of lessons learned through Project implementation; and (v) the establishment of a system to coordinate, communicate, manage and monitor implementation across all Parts of the Project, and to maintain and operate the Project's participatory structures.

- (b) Supporting Project coordination through, *inter alia*: (i) the carrying out of day-to-day management and supervision of overall Project implementation, including the operation of the PCU, the PEU-CI-Brazil; (ii) the establishment and functioning of the various Project inter-institutional structures including the POC, the AC, and the technical working groups; and (iii) the preparation and implementation of an overarching project communication strategy.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Implementation Arrangements

1. To facilitate the carrying out of Parts II, III and IV of the Project, the Recipient shall maintain a Project Execution Unit (PEU-CI-Brazil) with functions, staffing and responsibilities satisfactory to the World Bank, as set forth in the Project Operational Manual.
2. To facilitate the carrying out of Parts II, III and IV of the Project, the Recipient shall contractually cause MMA, through the CI-Brazil-MMA Coordination Agreement, to organize, coordinate and maintain:
 - (a) the Project Coordination Unit (PCU) with functions, staffing and responsibilities satisfactory to the World Bank, as set forth in the Project Operational Manual, including its responsibility to supervise the technical aspects of Project implementation;
 - (b) the Project Operational Committee (POC) with composition and responsibilities satisfactory to the World Bank, as set forth in the Project Operational Manual, including: (i) its composition with representatives of *inter alia* MMA, ICMBio, SFB, the States, FUNBIO and the Recipient; and (ii) its responsibility to foster compliance with the Project objectives; and
 - (c) the Advisory Council (AC) with composition and responsibilities satisfactory to the World Bank, as set forth in the Project Operational Manual, including: (i) its composition with representatives of *inter alia* MMA, ICMBio, SFB, the States, civil society, FUNBIO and the Recipient; and (ii) its responsibility to provide strategic recommendations on integrated landscape management.

B. CI-Brazil Implementation Agreements

1. To facilitate the carrying out of Parts II, III and IV of the Project, the Recipient shall enter into:
 - (a) an agreement with MMA (the CI-Brazil-MMA Coordination Agreement);
 - (b) an agreement with ICMBio and MMA (the CI-Brazil-ICMBio Cooperation Agreement);

- (c) an agreement with SFB and MMA (the CI-Brazil-SFB Cooperation Agreement); and
- (d) an agreement with each State (the CI-Brazil-State Cooperation Agreements);

all under terms and conditions acceptable to the World Bank.

- 2. The Recipient shall exercise its rights and carry out its obligations under the CI-Brazil Implementation Agreements in such manner as to protect the interests of the Recipient, the Member Country 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 any CI- Brazil Implementation Agreement or any of its material provisions.
- 3. In case of any conflict between the terms of the CI- Brazil Implementation Agreements, and this Agreement, the provisions of this Agreement shall prevail.

C. Project Operational Manual

- 1. The Recipient shall adopt, maintain and carry out Parts II, III and IV of the Project under its responsibility in accordance with the provisions of a manual (the Project Operational Manual) acceptable to the World Bank, which shall include, *inter alia*: (a) a detailed description of Project activities under its responsibility and institutional arrangements for the Project; (b) the detailed description of the assistance to be provided by the Project Entities to the Recipient under Parts II, III and IV of the Project; (c) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (d) the monitoring indicators for the Project; (e) the institutional and administrative mechanisms established to ensure inter-institutional coordination; (f) the functions, responsibilities and composition of the PEU-CI-Brazil, PCU, POC and AC; and (g) the ESMF, PF and IPPF.
- 2. Except as the World Bank may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Project Operational Manual or any provision thereof.
- 3. In case of any conflict between the terms of the Project Operational Manual, and this Agreement, the provisions of this Agreement shall prevail.

D. Anti-Corruption

The Recipient shall ensure or shall cause the Project Entities to ensure that Parts II, III and IV of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Safeguards

The Recipient shall carry out Parts II, III and IV of the Project and shall cause said Parts II, III and IV of the Project to be carried out in accordance with the ESMF, the PF and the IPPF.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of Parts II, III and IV 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 and set forth in the Project Operational Manual. 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 Parts II, III and IV of the Project, including confirmation in form and substance satisfactory to the World Bank that the remuneration for the Recipient's technical and administrative staff under Categories (3)(a) and (3)(b) is exclusively related to time dedicated for the purposes of the Project, are prepared and furnished to the World Bank not later than forty-five 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 the Financial Statements for Parts II, III and IV of 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

All goods , works, 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 the Procurement Regulations, and the provisions of the Procurement Plan.

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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, 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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, and Training under Parts II, III and IV of the Project	21,000,000	100%
(2) Operating Costs under Parts II, III and IV of the Project	5,000,000	100%
(3)(a) Remuneration of Recipient’s technical staff under Parts II, III and IV of the Project	1,800,000	100%
(3)(b) Remuneration of Recipient’s administrative		

staff under Parts II, III and IV of the Project	2,530,000	100%
TOTAL AMOUNT	30,330,000	

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, except that withdrawals up to an aggregate amount not to exceed \$3,000,000 may be made for payments made after April 4, 2017 or up to twelve months prior to the date of this Agreement (whichever is the latest) for Eligible Expenditures under Categories (1), (2), (3)(a) and (3)(b).
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is April 30, 2024.

APPENDIX

Section I. Definitions

1. “AC” or “Advisory Council” means a council comprised of Member Country governmental and non-governmental representatives, responsible for providing overarching policy level, strategic and technical guidance for the Project, as established and operating under the Project Operational Manual, or any successor thereto acceptable to the World Bank.
2. “Alliance for Restoration in the Amazon” means *Aliança pela Restauração na Amazônia*, a multi-institutional initiative led by CI-Brazil launched on January 30, 2017, and which focuses on qualifying and expanding the scale of forest restoration in the Amazon Region.
3. “Amazon Region” means the tropical forest areas of the Amazon region in the Member Country’s territory, as established by the Member Country’s Law Number 5.173 dated October 27, 1966, and by Article 45 of the Member Country’s Supplemental Law Number 31 dated October 11, 1977.
4. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
5. “Applicable Legislation” means the Member Country’s Federal Law No. 9.985/2000, dated July 18, 2000, establishing the National System of Nature Protected Areas (*Sistema Nacional de Unidades de Conservação da Natureza*) and Federal Law No. 12.651/2012, dated May 25, 2012, establishing the protection of native vegetation (*Lei da Proteção da Vegetação Nativa*).
6. “ARPA 1” means the Amazon Region Protected Areas Project partially financed by the GEF Trust Fund Grant for ARPA 1.
7. “ARPA 2” means the Amazon Region Protected Areas Project Phase 2 partially financed by the GEF Trust Fund Grant for ARPA 2.
8. “ARPA Program” means the program financed through the Transition Fund to support over 110 Protected Areas.
9. “Brazilian Amazon” means the tropical forest areas of the Amazon Region within the States’ territory.

10. “Capitalization of the Transition Fund” means the resources from the FUNBIO Grant allocated for the capitalization of the Transition Fund under Part I of the Project.
11. “CAR” means *Cadastro Ambiental Rural*, the Member Country’s mandatory public electronic register for rural landholdings, established and operating under the Member Country’s Federal Law No. 12.651.
12. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
13. “CI-Brazil” means a Brazilian non-profit non-governmental organization (“*associação civil*”) established in 1990, in accordance with the Member Country’s legal system, which aims at promoting human wellbeing and strengthening society in order to responsibly and sustainably use and conserve nature; or any successor thereto acceptable to the World Bank.
14. “CI-Brazil-ICMBio Cooperation Agreement” means the agreement referred to in Section I.B.1(b) of Schedule 2 to this Agreement.
15. “CI-Brazil Implementation Agreement” means the CI-Brazil-MMA Coordination Agreement, the CI-Brazil-ICMBio Cooperation Agreement, the CI-Brazil-SFB Cooperation Agreement, or the CI-Brazil-State Cooperation Agreement, collectively referred to as “CI-Brazil Implementation Agreements”.
16. “CI-Brazil-MMA Coordination Agreement” means the agreement referred to in Section I.B.1(a) of Schedule 2 to this Agreement.
17. “CI-Brazil-SFB Cooperation Agreement” means the agreement referred to in Section I.B.1(c) of Schedule 2 to this Agreement.
18. “CI-Brazil-State Cooperation Agreement” means any of the agreements referred to in Section I.B.1(d) of Schedule 2 to this Agreement, collectively referred to as “CI-Brazil-State Cooperation Agreements”.
19. “CONAVEG” means *Comissão Nacional para Recuperação da Vegetação Nativa*, the Member Country’s commission established to coordinate the implementation, monitoring and evaluation of PROVEG and PLANAVEG, established and operating under the Member Country’s Decree No. 8972, dated January 23, 2017.
20. “ESMF” means the Environmental and Social Management Framework, a framework adopted by the Recipient and dated August 11, 2017, acceptable to the World Bank, as published and available to the public on the following websites <http://programaarpa.gov.br/documentos-fase-iii-do-arpa/>; and; <https://www.funbio.org.br/projeto-paisagens-sustentaveis-amazonicas/>, which

contains the environmental protection measures in respect of the Project, including: (i) protection of natural habitats, forests, pest management, physical cultural resources; (ii) guidelines for the identification of existing environmental conditions and potential direct and indirect environmental impacts resulting from the carrying out of the Project; (iii) guidelines for the carrying out and the preparation of environmental and social management plans, when applicable; (iv) the recommendation of mitigation measures for each negative impact identified; and (v) measures for enhancing each identified positive impact, as said framework may be amended from time to time with the prior written approval of the World Bank.

21. “FUNBIO” or “*Fundo Brasileiro para a Biodiversidade*” means a non-profit organization established and operating pursuant to the Member Country’s Law No. 9.790 , dated March 23, 1999 , or any successor thereto acceptable to the World Bank.
22. “FUNBIO Grant” means the GEF grant referred to in the Whereas clause (B) of preamble to this Agreement.
23. “FUNBIO Grant Agreement” means the GEF Grant Agreement referred to in the Whereas clause (B) of the preamble to this Agreement.
24. “GEF Trust Fund Grant for ARPA 1” means the grant extended to the Recipient pursuant to the terms of an agreement entered into between the World Bank, acting as Implementing Agency of the Global Environment Facility, and the Recipient dated October 24, 2002, as amended.
25. “GEF Trust Fund Grant for ARPA 2” means the grant extended to the Recipient pursuant to the terms of an agreement entered into between the World Bank acting as Implementing Agency of the Global Environment Facility, and the Recipient dated March 21, 2012, as amended.
26. “ICMBio” means *Instituto Chico Mendes de Conservação da Biodiversidade*, the Member Country’s institute for biodiversity conservation, established and operating under the Member Country’s Law No. 11.516, dated August 28, 2007, or any successor thereto acceptable to the World Bank.
27. “IPPF” means Indigenous Peoples Policy Framework, a framework adopted by the Recipient and dated August 11, 2017, acceptable to the World Bank, as published and available to the public on the following websites <http://programaarpa.gov.br/documentos-fase-iii-do-arpa/>; and; <https://www.funbio.org.br/projeto-paisagens-sustentaveis-amazonicas/>, which contains the social protection measures under the Project in respect to indigenous peoples, including: (i) guidelines for the identification of existing social conditions and potential direct and indirect social impacts resulting from the carrying out of the Project; (ii) guidelines for the carrying out and the preparation of indigenous

peoples plans, when applicable; (iv) the screening procedures and recommendation of mitigation measures for each negative impact identified; and (v) measures for enhancing each identified positive impact, as said framework may be amended from time to time with the prior written approval of the World Bank.

28. “Managers Commission” means an advisory and deliberative body of the ARPA Program, which operates within MMA.
29. “MMA” means *Ministério do Meio Ambiente*, the Member Country’s Ministry of Environment.
30. “Operating Costs” means the reasonable incremental operational costs related to Project technical and administrative management, preparation, monitoring and supervision required under the Project, including *inter alia*, office equipment, supplies, travel costs (including accommodations, transportation costs and *per diem*), printing services, communication costs, utilities, maintenance and rental of office equipment and facilities, insurance, vehicle operation and maintenance costs, and logistics services.
31. “PEU-CI-Brazil” means the Project Execution Unit based in CI-Brazil, responsible for implementation, monitoring, supervision, financial management and procurement activities under Parts II, Part III and Part IV of the Project.
32. “PF” means the Process Framework, a framework adopted by the Recipient and dated August 11, 2017, acceptable to the World Bank, as published and available to the public on the following websites <http://programaarpa.gov.br/documentos-fase-iii-do-arpa/>; and; <https://www.funbio.org.br/projeto-paisagens-sustentaveis-amazonicas/>, which contains the protection measures ensuring that affected people and communities had an opportunity to participate in the definition and design of alternative livelihood activities or other compensation and mitigation measures in respect to the Project, including: (i) guidelines for the identification of existing situations in which the creation and consolidation of Protected Areas could potentially lead to restrictions in access to Protected Areas leading to impacts on peoples’ livelihoods under the Project; (ii) guidelines for the carrying out and the preparation of management plans, when applicable; (iii) the recommendation of mitigation measures for each negative impact identified; and (iv) the Project grievance redress mechanisms; as said framework may be amended from time to time with the prior written approval of the World Bank.
33. “PLANAVEG” means “*Plano Nacional de Recuperação da Vegetação Nativa*”, the Member Country’s national plan aimed at expanding and strengthening policies and financial incentives in order to recover the Member Country’s native vegetation, established and operating pursuant to its Decree No. 8972, dated January 23, 2017.

34. “PMABB” means “*Programa de Monitoramento Ambiental dos Biomas Brasileiros*”, a program established pursuant to the MMA’s *Portaria* No. 365, dated 27 November 2015, aimed at mapping and monitoring the Member Country’s vegetation.
35. “PMABB Actors” means the entities involved in the PMABB as further described in the MMA’s *Portaria* No. 365, dated 27 November 2015.
36. “PRADA” means “*Plano de Recuperação de Áreas Degradadas e Alteradas*”, the Member Country’s plan aimed at the environmental recovery of degraded areas, established and operating pursuant to the Member Country’s Law No. 6.938, dated August 31, 1981, and its Decree No. 97.632, dated April 10, 1989.
37. “Procurement Plan” means the Recipient’s procurement plan for the Project dated October 20, 2017 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.
38. “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016.
39. “Program Committee” means the administrative and decision making committee established within MMA by Presidential Decree No. 8505 dated August 20, 2015.
40. “Project Coordination Unit” or “PCU” means a unit functioning within MMA, responsible for implementation, coordination, supervision and monitoring of the MMA’s respective activities under the Project.
41. “Project Entities” means collectively, FUNBIO, MMA, ICMBio, SFB and the States.
42. “Project Operational Committee” or “POC” means a decision-making committee functioning within MMA, in accordance with the provisions of the Project Operational Manual and responsible for overseeing the Project implementation.
43. “Project Operational Manual” means the manual to be adopted by the Recipient, and referred to in Section I.C.1 of Schedule 2 to this Agreement, as it may be updated from time to time, in a manner acceptable to the World Bank.
44. “Protected Areas” means any Sustainable Use Protected Area or Strict Protection Protected Area.
45. “Protected Areas Council” means the councils responsible for the management of Protected Areas as defined in the Member Country’s Federal Law No. 9.985/2000, dated July 18, 2000, establishing the National System of Nature Protected Areas (*Sistema Nacional de Unidades de Conservação da Natureza*).

46. “PROVEG” means “*Plano Nacional para Recuperação da Vegetação Nativa*”, the Member Country’s national plan for the recovery of native vegetation, established and operating pursuant to its Decree No. 8972, dated January 23, 2017.
47. “Ramsar Convention” means “The Ramsar Convention on Wetlands of International Importance”, an international treaty for the conservation and sustainable use of wetlands, dated February 2, 1971, to which the Member Country is a signatory.
48. “Ramsar Site” means any wetland of international importance in the Member Country’s area, as defined by the Ramsar Convention, collectively referred to as “Ramsar Sites”.
49. “Remuneration of Recipient’s Administrative Staff” means the salaries and related benefit costs for the Recipient’s administrative staff for services provided exclusively for the implementation of Parts II, III and IV of the Project, as stated in the Project Operational Manual and approved by the World Bank.
50. “Remuneration of Recipient’s Technical Staff” means the salaries and related benefit costs for the Recipient’s technical staff for services provided exclusively for implementation of Parts II, III and IV of the Project, as stated in the Project Operational Manual and approved by the World Bank.
51. “Scientific Advisory Panel” means a panel established and operating within MMA, as further detailed in the Project Operational Manual.
52. “Selected Areas” means the locations specified in the Project Operational Manual, all within the States of Amazonas, Para, Rondônia and Acre and not benefitted by activities under Part I of the Project.
53. “SFB” means the Member Country’s agency responsible for forest management, established and operating pursuant to the Member Country’s Law No. 11.284, dated March 2, 2006.
54. “SICAR” means *Sistema Nacional de Cadastro Ambiental Rural*, the Member Country’s rural environmental cadaster system operating within CAR.
55. “Standard Conditions” means the “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated February 15, 2012, with the modifications set forth in Section II of this Appendix.
56. “State” means any of the following States: Amazonas, Pará, Rondônia and Acre, collectively referred to as the “States”.
57. “Strict Protection Protected Area” means any ecological station, biological reserve or park, as defined in Articles 9, 10 and 11 of the Member Country’s Federal Law No.

9.985/2000, dated July 18, 2000, respectively, which meets the criteria for the creation of Protected Areas as set forth in the Project Operational Manual.

58. “Sustainable Use Protected Area” means an extractive reserve or a sustainable development reserve as defined in Articles 18 and 20 of the Member Country’s Federal Law No. 9.985/2000, dated July 18, 2000, respectively, which meets the criteria for the creation of Protected Areas as set forth in the Project Operational Manual.
59. “Technical Forum” means the forum established within MMA and operating in accordance with the provisions of the Project Operational Manual.
60. “Training” means expenditures (other than those for consulting services) incurred in connection with the carrying out of training, seminars, and workshops, including the reasonable travel costs (e.g. accommodations, transportation costs and per diem) of trainees and trainers (if applicable), catering, rental of training facilities and equipment, logistics and printing services, as well as training materials and equipment under Parts II, III and IV of the Project.
61. “Transition Fund” means the successor of the fund titled “*Fundo para as Areas Protegidas*” created under the administration of FUNBIO with financing from the proceeds of the GEF Trust Fund Grant for ARPA 1 and ARPA 2 and other public and private donors to finance the costs associated with the maintenance and operation of Strict Protection Protected Areas, and with the surveillance and/or enforcement of Sustainable Use Protected Areas.
62. “Transition Fund Committee” means “*Comitê do Fundo de Transição*”, a committee tasked with overseeing the overall functioning of the Transition Fund as operating in accordance with the provisions of the Project Operational Manual.
63. “Vegetation Recovery Activities” means both restoration or afforestation activities on public and private lands including, *inter alia*, natural regeneration, enrichment, planting, and agroforestry systems.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Section 6.02 is amended to read as follows:

“Section 6.02. *Termination*. The Grant Agreement and all obligations of the parties under it shall forthwith terminate two years after the Closing Date.”
2. The reference to “Member Country” in the Standard Conditions and in this Agreement means the Federative Republic of Brazil.

