

GEF TRUST FUND GRANT NUMBER TF018151-BR

Global Environment Facility Trust Fund Grant Agreement

(Marine Protected Areas Project)

Between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

acting as an Implementing Agency of the Global Environment Facility

and

FUNDO BRASILEIRO PARA A BIODIVERSIDADE - FUNBIO

Dated September 26, 2014



GEF TRUST FUND GRANT NUMBER TF018151-BR

GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT dated September 26, 2014, entered into between:

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

FUNDO BRASILEIRO PARA A BIODIVERSIDADE - FUNBIO (“Recipient”);

The World Bank and the Recipient 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 February 15, 2012 (“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 (“Project”). To this end, the Recipient shall carry out the Project with the assistance of:
 - (a) MMA and ICMBio in respect of the Project activities of the Project which fall under their respective jurisdictions; and
 - (b) Participating States and Participating Municipalities in respect of Project activities under Parts 1 and 3 of the Project which fall under their respective jurisdictions;



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

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

Article III The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to eighteen million two hundred thousand United States Dollars (\$18,200,000) ("Grant") to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donor 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 donor 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 SNUC Law or the Decree shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient, MMA, ICMBio, any Participating State or any Participating Municipality, to perform any of its obligations, as the case may be, under this Agreement, the MMA Technical Cooperation Agreement, the ICMBio Technical Cooperation Agreement, the pertinent Participating State Technical Cooperation Agreement and/or the pertinent Participating Municipality Technical Cooperation Agreement.



- (b) The MMA shall have failed to perform any of its obligations under the MMA Technical Cooperation Agreement, the ICMBio Technical Cooperation Agreement, any Participating State Technical Cooperation Agreement and/or any Participating Municipality Technical Cooperation Agreement.
- (c) The ICMBio shall have failed to perform any of its obligations under the ICMBio Technical Cooperation Agreement.
- (d) Any Participating State shall have failed to perform any of its respective obligations under the pertinent Participating State Technical Cooperation Agreement.
- (e) Any Participating Municipality shall have failed to perform any of its respective obligations under the pertinent Participating Municipality Technical Cooperation Agreement.
- (f) Any of the Co-financing Agreements shall have failed to become effective by the date eighteen (18) months after the Effective Date, or such later date as the World Bank may establish by notice to the Recipient; provided, however, that the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.
- (g) (i) Subject to subparagraph (ii) of this paragraph, the right of the Recipient to withdraw the proceeds of any of the Co-financing Agreements has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the pertinent Co-financing Agreement; or

(ii) Subparagraph (i) of this paragraph shall not apply if the Recipient establishes, to the satisfaction of the World Bank that: (A) such suspension, cancellation, or termination is not caused by the failure of the Recipient to perform any of their respective obligations under the pertinent Co-financing Agreement; and (B) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this 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 governmental and corporate action.
 - (b) The MMA Technical Cooperation Agreement and the ICMBio Technical Cooperation Agreement have been executed on behalf of the Recipient and MMA and ICMBio, respectively.
 - (c) The Project Operational Manual (“POM”), in form and substance satisfactory to the World Bank, has been prepared and adopted by the Recipient, MMA, and ICMBio.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a) and (b) there shall be furnished to the World Bank a legal opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matters, namely that:
- (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) The MMA Technical Cooperation Agreement and the ICMBio Technical Cooperation Agreement have been duly signed, authorized and/or ratified by the Recipient, MMA and ICMBio, as the case may be, and are legally binding upon the parties thereto in accordance with said agreements’ respective terms.
- 5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.



- 5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement (the "Effectiveness Deadline"), unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
- 5.05. Without prejudice to paragraph 5.04 of this Agreement, the Effectiveness Deadline shall in no case be later than eighteen (18) months after the World Bank's approval of the Grant which deadline expires on March 19, 2016.

Article VI
Recipient's Representative; Addresses

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Secretary General.
- 6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

FUNDO BRASILEIRO PARA A BIODIVERSIDADE
Rua Voluntários da Pátria, 286 – 5º andar
Botafogo, Rio de Janeiro - RJ
CEP: 22270-014
Brazil

Telephone:
(55-21) 2123-5300

Facsimile:
(55-21) 2123-5354

- 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)

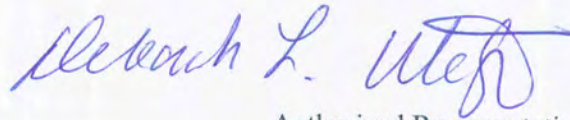
1-202-477-6391



AGREED at Brasília, Federative Republic of Brazil, 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

FUNDO BRASILEIRO PARA A BIODIVERSIDADE -
FUNBIO



By

Authorized Representative



SCHEDULE 1

Project Description

The objectives of the Project are (a) to support the expansion of globally significant, representative and effective Marine and Coastal Protected Area system in Brazil, and (b) to identify mechanisms for its financial sustainability.

The Project consists of the following parts:

Part 1: Creation and consolidation of Marine and Coastal Protected Areas

Creation of Marine Protected Areas and Consolidation of Marine and Coastal Protected Areas, by, *inter alia*:

1. Establishing new Marine Protected Areas to achieve 5% of area under protection and identifying seasonal or permanent no-take fishing zones in selected Marine Protected Areas.
2. Strengthen biodiversity protection in at least 9,300 km² of selected Marine and Coastal Protected Areas, including capacity-building, training, and communication activities to strengthen the management of other marine and coastal protected areas.

Part 2: Identification and design of financial mechanisms to support Marine and Coastal Protected Areas

Identification and design of, at least, two potential financing mechanisms for the Marine and Coastal Protected Areas to ensure their long term financial sustainability.

Part 3: Monitoring and evaluation

Support monitoring and evaluation activities through:

1. The development and implementation of an integrated monitoring and evaluation system to track key marine and coastal environmental and biodiversity indicators in Marine and Coastal Protected Areas supported by the Project as well as of other marine and coastal protected areas.
2. An assessment of marine biodiversity conservation status and conservation requirements of the Marine and Coastal Protected Areas system.

Part 4: Project Coordination and management

Strengthen coordination, management and communication for the carrying out of the Project, by, *inter alia*:



1. Establishing efficient day-to-day management and supervision of the Project by supporting the Project Coordination Unit and the Project Implementation Unit in discharging their functions and responsibilities (including support for Project audits), and developing and implementing a communication strategy for the Project.
2. Ensuring Project coordination by supporting the establishment and functioning of the Project Operational Committee, the Project Council, and *ad hoc* Technical Working Groups.
3. Developing and implementing monitoring and evaluation systems to manage the effectiveness of Marine and Coastal Protected Areas and the Marine Coastal Protected Areas system, including their long term financial sustainability.



SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements.

1. The Recipient shall operate and maintain, throughout the period of implementation of the Project, a Project implementation unit (PMU-FUNBIO) with the functions, responsibilities and structure set forth in the Project Operational Manual and with sufficient resources and staffed with competent personnel (all with qualifications, experience and terms of reference satisfactory to the World Bank). The PMU-FUNBIO shall be responsible for, *inter alia*, day-to-day financial management and procurement activities of the Project.
2. Pursuant to the provisions of the MMA Technical Cooperation Agreement and the ICMBio Technical Cooperation Agreement, the Recipient shall ensure that the Member Country, through MMA, operates and maintains, throughout the period of implementation of the Project:
 - (a) the Project Operational Committee, which shall be chaired by MMA and comprised of qualified representatives from MMA, ICMBio and the Recipient, and responsible for overseeing the implementation of the Project and, if and where appropriate, the responsibility to establish *ad hoc* Technical Working Groups;
 - (b) the Project Coordination Unit responsible for coordinating, monitoring and supervising the implementation of the Project; and
 - (c) the Project Council, which shall be chaired by MMA and comprised of qualified representatives from Co-financiers and relevant stakeholders, responsible for providing non-binding policy level and strategic guidance, and assisting in the resolution of any inter-sectorial issues,all with the functions, responsibilities and structure set forth in the Project Operational Manual and with sufficient resources and staffed with competent personnel (all of whom with qualifications, experience and terms of reference satisfactory to the World Bank).
3. The Recipient shall: (a) as soon as available, but in any event no later than by November 30 of each calendar year during Project implementation, commencing on the year 2015 until the completion of the Project, prepare and furnish to the World Bank for its approval, the draft Annual Operating Plan for the



immediately following calendar year, of such scope and detail as the World Bank shall have reasonably requested, including, without limitation, a budget and indication of source of funds, including any necessary counterpart funds and all measures taken or to be taken in accordance with the Environmental and Social Management Framework, the Indigenous Peoples Plan and the Process Framework; (b) no later than January 2 of each calendar year during Project implementation, commencing on the year 2016, adopt the pertinent Annual Operating Plan, as approved following the procedures of the Project Operational Manual; and (c) immediately thereafter, implement, and/or cause to be implemented, the adopted Annual Operating Plan in accordance with its terms and in a manner satisfactory to the World Bank.

B. Technical Cooperation Agreements

1. For the purposes of carrying out the Project, the Recipient shall enter into an agreement with the Member Country, through MMA (“MMA Technical Cooperation Agreement”), on terms and conditions acceptable to the World Bank, which shall include, *inter alia*, the obligation of Member Country, through MMA to:
 - (a) carry out the Project in accordance with the provisions of this Agreement, the POM and the Safeguard Instruments;
 - (b) adopt the POM and the Safeguard Instruments;
 - (c) comply with the provisions of the Anti-Corruption Guidelines; and
 - (d) maintain said agreement in full force and effect, throughout the period of implementation of the Project.

2. For the purposes of carrying out the Project, the Recipient shall enter into an agreement with the Member Country, through MMA and the ICMBio (“ICMBio Technical Cooperation Agreement”), on terms and conditions acceptable to the World Bank, which shall include, *inter alia*, the obligation of ICMBio to:
 - (a) carry out the Project in accordance with the provisions of this Agreement, the POM and the Safeguard Instruments;
 - (b) adopt the POM and the Safeguard Instruments;
 - (c) comply with the provisions of the Anti-Corruption Guidelines; and
 - (d) maintain said agreement in full force and effect, throughout the period of implementation of the Project.



3. For the purposes of carrying out Project activities within the jurisdiction of any given Participating State, the Recipient shall enter into an agreement with said Participating State, the MMA and the ICMBio (“Participating State Technical Cooperation Agreement”), on terms and conditions acceptable to the World Bank, which shall include, *inter alia*, the obligation of the Participating State to:
 - (a) carry out the Project in accordance with the provisions of this Agreement, the POM and the Safeguard Instruments;
 - (b) adopt the POM and the Safeguard Instruments;
 - (c) comply with the provisions of the Anti-Corruption Guidelines; and
 - (d) maintain said agreement in full force and effect, throughout the period of implementation of the Project.

4. For the purposes of carrying out Project activities within the jurisdiction of any given Participating Municipality, the Recipient shall enter into an agreement with said Participating Municipality, the MMA and the ICMBio (“Participating Municipality Technical Cooperation Agreement”), on terms and conditions acceptable to the World Bank, which shall include, *inter alia*, the obligation of the Participating Municipality to:
 - (a) carry out the Project in accordance with the provisions of this Agreement, the POM and the Safeguard Instruments;
 - (b) adopt the POM and the Safeguard Instruments;
 - (c) comply with the provisions of the Anti-Corruption Guidelines; and
 - (d) maintain said agreement in full force and effect, throughout the period of implementation of the Project.

5. The Recipient shall exercise its rights and comply with its obligations under the MMA Technical Cooperation Agreement, the ICMBio Technical Cooperation Agreement, and each Participating State Technical Cooperation Agreement and each Participating Municipality Technical Cooperation Agreement, in such a manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant, and except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce MMA Technical Cooperation Agreement, the ICMBio Technical Cooperation Agreement, any Participating State Technical Cooperation Agreement or any Participating Municipality Technical Cooperation Agreement, or any provision thereof.



C. Project Operational Manual

1. The Recipient shall carry out the Project in accordance with the provisions of the Project Operational Manual, which sets forth the rules and procedures for the carrying out of the Project, including, *inter alia*: (a) the procedures for the carrying out, monitoring and evaluation of the Project (including the procurement, disbursement, financial, social and environmental requirements thereof); and (b) a detailed description of the division of functions and responsibilities of the Recipient, MMA, ICMBio, the Participating States and Participating Municipalities in the implementation of the Project.
2. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

D. Safeguards

1. The Recipient shall ensure that:
 - (a) the Project is carried out in accordance with the Environmental and Social Management Framework, the Indigenous Peoples Plan and the Process Framework; and,
 - (b) if and where applicable, Environmental and Social Management Plans, in form and substance satisfactory to the World Bank, are prepared during Project implementation, in accordance with the Environmental and Social Management Framework, and that the Project is carried out in accordance said plans and their respective terms.
2. The Recipient shall not assign, amend, abrogate or waive, or permit to be assigned, amended, abrogated, or waived, the Environmental and Social Management Framework, the Indigenous Peoples Plan and the Process Framework, or any provision thereof without the prior written agreement of the World Bank.
3. The Recipient shall ensure, that the terms of reference for any consultancies related to technical assistance or capacity building activities under the Project shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the World Bank's Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance and capacity building activities.
4. Without limitation to the provisions of Section II.A.1.(a) of this Schedule, the Recipient, with the assistance of the MMA, shall take all measures necessary to regularly collect, compile, and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Environmental and



Social Management Framework, the Indigenous Peoples Plan and the Process Framework, giving details of:

- (a) measures taken in furtherance of such documents;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such documents; and
 - (c) any remedial measures taken or required to be taken to address said conditions.
5. In the event of a conflict between the provisions of any of the Environmental and Social Management Framework, the Indigenous Peoples Plan, the Process Framework and those of this Agreement, the provisions of this Agreement shall prevail.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

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



the end of each calendar quarter, covering the quarter, 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 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, works, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
 - (a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and
 - (b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; and (c) Direct Contracting.



In addition, for off-the-shelf goods and readily available non-consultants services listed in the Procurement Plan, the method known as “*pregão eletrônico*”, as provided in the Member Country’s Law No. 10520, of July 17, 2002, under “COMPRASNET”, the Member Country’s procurement portal (or any other e-procurement system approved by the World Bank), may be used in replacement for National Competitive Bidding and Shopping, subject to the following additional procedure, namely, that the bidding documents shall be 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.
2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (g) Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

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

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% Eligible Expenditures consisting of Goods, Works, Consultants’ Services and Non-consulting Services, Surveillance Activities, Operating Costs and Training (inclusive of Taxes).



2. For purposes of this Section IV.A. the following terms mean:
- (a) “Operating Costs” means recurrent incremental costs associated with the coordination and implementation of the Project, including: (i) operation and maintenance of vehicles, repairs, fuel and spare parts (except those covered under Surveillance Activities); (ii) equipment and computer maintenance; (iii) shipment costs (whenever these costs are not included in the costs of goods); (iv) office supplies; (v) rent for office facilities; (vi) utilities; (vii) travel and per diem costs for technical staff carrying out supervisory and quality control activities (except those covered under Surveillance Activities); (viii) communication costs, including advertisement for procurement proposals; and (ix) salaries for the Recipient’s operational staff.
 - (b) “Surveillance Activities” means the costs associated with the carrying out of supervisory and quality control activities in Marine and Coastal Protected Areas under Parts 1 and 3 of the Project, including: (i) travel and per diem for technical staff; (ii) rental of aircraft, helicopter or vessels; and (iii) fuel and maintenance of vehicles and vessels, all as previously approved by the World Bank.
 - (c) “Training” means the costs associated with the delivery of training and capacity building activities under the Project, including: (i) logistics; (ii) equipment rental; (iii) training materials; (iv) stationery for workshops and meetings; (v) lodging; (vi) catering services for coffee breaks; (vii) rental for training facilities; and (viii) reasonable fees, travel, transportation and per diem of trainers and trainees.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
- (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$1,820,000 equivalent may be made for payments made prior to this date but on or after December 3, 2013, but in no case more than one (1) year after the date of this Agreement, for Eligible Expenditures.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is October 31, 2019.



APPENDIX

Definitions

1. “Annual Operating Plan” means each adopted annual operating plan referred to in Section I.A.6. of Schedule 2 to this Agreement.
2. “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.
3. “Coastal Protected Area” means an area within the territorial sea of the Member Country protected pursuant to the SNUC Law and the Decree where Project activities will be carried out.
4. “Co-financier” means: (a) the Member Country through MMA, (b) ICMBio and (c) MME and Petróleo Brasileiro S.A.
5. “Co-financing” means: (a) an amount equivalent to two million six thousand Dollars (\$2,006,000) to be provided by the Member Country through MMA to assist in financing of the Project; (b) an amount equivalent to six million seventy-five thousand Dollars (\$6,075,000) to be provided by ICMBio to assist in financing of the Project; (c) an in cash contribution in a total amount of twenty million Dollars (\$20,000,000) to be provided by MME and Petróleo Brasileiro S.A to assist in the financing of Parts 1, 3 and 4 of the Project; and (d) in kind support in a total amount of one hundred twenty seven million Brazilian Reais (R\$127,000,000) to be provided by MME and Petróleo Brasileiro S.A. to assist in the financing of the Project.
6. “Co-financing Agreement” means the agreements to provide for the Co-financing.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011.
8. “Decree” means the Member Country’s Decree No. 4.340, dated August 22, 2002, regulating the SNUC Law, as said Decree has been amended to the date of this Agreement.
9. “Environmental and Social Management Framework” or “ESMF” means the integrated environmental and social framework, dated March 2013, adopted by the Recipient and MMA, setting forth mitigation, monitoring, and institutional measures to address environmental and social impacts of Project activities, including impacts on natural habitats, physical cultural resources, indigenous



peoples or economically displaced persons, offset negative impacts, or reduce them to acceptable levels, or enhance positive environmental and social impacts, as said ESMF may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such framework, including the guidelines for preparing and implementing Environmental and Social Management Plans, if and when applicable, and the Indigenous Peoples Plan and Process Framework.

10. “Environmental and Social Management Plan” or “ESMP” means the plan or plans to be prepared, in form and substance satisfactory to the World Bank and in accordance with the Environmental and Social Management Framework, and such term includes any schedules or annexes to any such plans.
11. “ICMBio” means Chico Mendes Institute for Biodiversity Conservation, the Member Country’s institute for biodiversity conservation, established and operating as a legal entity under the Member Country’s Law No. 11.516, dated August 28, 2007, or any successor thereto.
12. “ICMBio Technical Cooperation Agreement” means the agreement referred to in Section I.B.2 of Schedule 2 to this Agreement, as the same may be amended from time to time in a manner satisfactory to the World Bank.
13. “Indigenous Peoples Plan” or “IPP” means the plan, dated March 2013, adopted by Recipient and MMA, which sets forth, *inter alia*, the measures to avoid, minimize or mitigate potential Project impacts on Indigenous Peoples, the framework for ensuring free, prior and informed consultation with Indigenous Peoples during Project implementation and the action plan of measures to ensure that Indigenous Peoples receive culturally appropriate benefits from the Project, and is part of the ESMF.
14. “Marine and Coastal Protected Area” means an area within the territorial sea and exclusive economic zone of the Member Country protected pursuant to the SNUC Law and Decree.
15. “Marine Protected Area” means an area within the exclusive economic zone of the Member Country protected pursuant to the SNUC Law and Decree.
16. “MMA” means Member Country’s Ministry of Environment, or any successor thereto.
17. “MMA Technical Cooperation Agreement” means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time in a manner satisfactory to the World Bank.



18. “MME” means the Member Country’s Ministry of Mines and Energy, or any successor thereto.
19. “Participating Municipalities” means any municipality located in the Member Country’s territory with jurisdiction over an existing or proposed Marine Coastal Protected Area, which Municipality meets the requirements of the Project Operational Manual for participation in the Project.
20. “Participating Municipality Technical Cooperation Agreements” means any of the agreements referred to in Section I.B.4 of Schedule 2 to this Agreement, as the same may be amended from time to time in a manner satisfactory to the World Bank.
21. “Participating State” means any of the Member Country’s States with jurisdiction over an existing or proposed Marine Coastal Protected Area, which State meets the requirements of the Project Operational Manual for participation in the Project.
22. “Participating State Technical Cooperation Agreements” means any of the agreements referred to in Section I.B.3. of Schedule 2 to this Agreement, as the same may be amended from time to time in a manner satisfactory to the World Bank.
23. “PMU-FUNBIO” means the project implementation unit within the Recipient referred to in Section I.A.1 of Schedule 2 to this Agreement.
24. “Process Framework” or “PF” means the framework, dated March 2013, adopted by Recipient and MMA, which sets forth the measures to address restrictions of access to natural resources in Marine and Coastal Protected Areas, and is part of the ESMF.
25. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011.
26. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 16, 2014, 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.
27. “Project Coordination Unit” means the unit to be established within MMA referred to in Section I.A.2.(b) of Schedule 2 to this Agreement.
28. “Project Council” means the advisory council to be established within MMA referred to in Section I.A. of Schedule 2 to this Agreement.



29. "Project Operational Committee" means the administrative committee to be established within MMA referred to in Section I.A.2.(a) of Schedule 2 to this Agreement.
30. "Project Operational Manual" or "POM" means the manual, satisfactory to the World Bank referred to in Section I.C.1 of Schedule 2 to this Agreement, as the same may be amended from time to time, after the prior approval of the World Bank.
31. "Safeguard Instruments" means collectively the ESMF, the ESMP, the IPP and the PF.
32. "Safeguards Policies" means the operational policies and procedures of the World Bank issued at the date of this Agreement and relating to Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Indigenous Peoples (OP/BP 4.10), Cultural Property (OP/BP 4.11), Involuntary Resettlement (OP/BP 4.12), Forestry (OP/BP 4.36), Projects on International Waterways (OP/BP 7.50), and Projects in Disputed Areas (OP/BP 7.60).
33. "SNUC Law" means the Member Country's Law No. 9.985 of July 18, 2000 establishing the National System of Protected Areas, including the Marine and Coastal Protected Areas as said law has been amended to the date of this Agreement.
34. "Standard Conditions" means the "Standard Conditions for Grants Made by the World Bank Out of Various Funds", dated February 15, 2012.
35. "Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets" means the United Nations Convention for Biological Diversity (CBD) overarching framework on biodiversity, including its biodiversity targets, adopted at the Conference of the Parties (COP) to the CBD by COP 10 Decision X/2, dated October 2010.
36. "Technical Working Groups" means technical working groups referred to in Section I.A.2 (a) of Schedule 2 to this Agreement to analyze and provide technical guidance on particular issues that may arise during Project implementation.

