

GEF TRUST FUND GRANT NUMBER TF096767

Global Environment Facility Trust Fund Grant Agreement

(MMA *Cerrado* Policy and Biome Monitoring 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 _____ **, 2010**

GEF TRUST FUND GRANT NUMBER TF096767

GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT dated _____, 2010, entered into between FUNDO BRASILEIRO PARA A BIODIVERSIDADE - FUNBIO (“Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

The Recipient and the World Bank, under the Sustainable *Cerrado* Initiative, 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 1, 2008 (“Standard Conditions”), with the modifications set forth in 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 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 (“Project”). To this end, the Recipient shall carry out, through the FUNBIO Project Unit, Component 6(b) of the Project and shall cause MMA, through DCBio, to carry out Components 1, 2, 3, 4, 5 and 6(a) of the Project, all in accordance with the Cooperation Agreement and the provisions of Article II of the Standard Conditions.
- 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 and to assist in financing the Project, a grant in an amount equal to four million United States Dollars (\$4,000,000) (“Grant”) for the benefit of MMA.
- 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) The World Bank has declared the Recipient ineligible to be awarded a contract financed by the World Bank.
 - (b) The Sustainable Cerrado Initiative Committee Legislation has been amended, suspended, abrogated, repealed, waived or not complied with so as to affect, in the opinion of the World Bank, materially and adversely the ability of said Sustainable Cerrado Initiative Committee or of the Recipient to perform any obligation under this Agreement.
 - (c) The Cooperation Agreement has been amended, suspended, abrogated, repealed, waived or not complied with so as to affect, in the opinion of the World Bank, materially and adversely the ability of the Recipient to perform any obligation under this Agreement.
 - (d) The Sustainable Cerrado Program Legislation has been amended, suspended, abrogated, repealed, waived or not complied with so as to affect, in the opinion of the World Bank, materially and adversely the ability of the Recipient to perform any obligation 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 Cooperation Agreement has been signed on behalf of the Recipient and MMA in form and substance satisfactory to the World Bank and the execution and delivery of said Cooperation Agreement on behalf of the Recipient and MMA have been duly authorized or ratified by all necessary governmental and corporate action.
 - (c) The Operational Manual has been adopted by the Recipient in form and substance satisfactory to the World 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, 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; and
 - (b) on behalf of the Recipient and MMA, that the Cooperation Agreement has been duly authorized or ratified by, and executed and delivered on their behalf and is legally binding upon the Recipient and MMA in accordance with its terms.
- 5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 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’ REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its General Secretary.

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

FUNDO BRASILEIRO PARA A BIODIVERSIDADE - FUNBIO
Largo do IBAM, 1, 6º andar
Humaitá
Rio de Janeiro, RJ, 22271-070
Brazil

Facsimile: (55-61) 2123-5354

With copy to:

SEAIN - Secretaria de Assuntos Internacionais do
Ministério do Planejamento, Orçamento e Gestão
Esplanada dos Ministérios - Bloco K - 5º andar
Brasília, DF, 70040-906
Brazil

Facsimile: (55-61) 2020-5006

And with copy to:

MMA – Departamento de Conservação da Biodiversidade
Secretaria de Biodiversidade e Florestas
SEPN 505, Bloco B, Edifício Marie Prendi Cruz, 4º andar
Brasília, DF, 70730-542
Brazil

Facsimile: (55-61) 3105-2028

- 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 _____, 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 objective of the Project is to enhance biodiversity conservation in, and to improve environmental and natural resource management of, the *Cerrado* in the Member Country's territory through appropriate policies and practices.

The Project consists of the following Components:

Component 1. Biodiversity Protection through Actions Related to Protected Areas

Contribute to biodiversity conservation through the creation/expansion of protected areas of at least one million hectares of ecologically valuable *Cerrado* by strengthening the National Protected Areas System and supporting policy coordination for the National Protected Areas Plan.

Component 2. Sustainable Use of Biodiversity in the Productive Landscape

Support four initiatives on best practices for agro-silvicultural production in the *Cerrado* using CIMA and MDR, by promoting the sustainable management of natural resources through, *inter alia*, the rehabilitation of *Cerrado* degraded areas with native species, the implementation of sustainable agro-forestry and agro-extractive systems and the recovery of traditional technologies.

Component 3. Policy Development

Establish adequate institutional structures and develop special support studies for the launching and the long-term implementation of the Sustainable *Cerrado* Program by: (a) strengthening and supporting the effective functioning of DCBio and CONACER; (b) supporting the formulation of the Sustainable *Cerrado* Program Action Plan with emphasis on the definition of priorities; (c) developing at least two new public policies related to the conservation and sustainable use of the *Cerrado* natural resources; and (d) supporting the development of at least two initiatives similar to the Sustainable *Cerrado* Initiative.

Component 4. Cerrado Biome Monitoring

Develop a geo-referenced *Cerrado* Biome monitoring system to monitor vegetation cover, land use and other aspects of the *Cerrado* Biome included in the *Cerrado* Biome Database, through assessments, system design and data collection for said monitoring system.

Component 5. Project Coordination for the Sustainable Cerrado Initiative

Establish and support mechanisms for coordinating, monitoring and evaluating the Sustainable *Cerrado* Initiative by supporting the establishment and effective operation of the Sustainable *Cerrado* Initiative Committee and by approving and ensuring overall coordination, monitoring and evaluation of the Sustainable *Cerrado* Initiative Related Projects.

Component 6. Coordination for the MMA Cerrado Policy and Biome Monitoring Project

- (a) Support DCBio to efficiently and effectively implement, supervise, coordinate and administer all the activities carried out under the Project, with the exception of Component 6(b) below, including dissemination of results and lessons learned.
- (b) Support FUNBIO Project Unit to efficiently and effectively implement, the Project financial management, procurement and audit activities as well as financial Project closing activities.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient, through FUNBIO Project Unit, shall carry out Component 6(b) of the Project and shall cause MMA, through DCBio, to carry out Components 1, 2, 3, 4, 5 and 6(a) of the Project, through the Cooperation Agreement, all in accordance with the Operational Manual, including the Environmental Assessment for the Initiative, the Environmental Assessment, the Environmental Management Plan, the Resettlement Framework for the Initiative, the Indigenous Peoples Planning Framework for the Initiative and the Procurement Plan, and except as the World Bank shall otherwise agree, shall not amend or waive any provision of these documents without the World Bank's prior written approval. In case of any conflict between the terms of said documents and those of this Agreement, the terms of this Agreement shall prevail.
2. The Recipient shall ensure, until the completion of the execution of the Project that the FUNBIO Project Unit shall have competent staff in adequate numbers with qualifications and experience satisfactory to the World Bank, including the following key staff: a general coordinator, a financial management specialist and a procurement specialist.
3. The Recipient shall cause MMA, through the Cooperation Agreement, to ensure, until the completion of the execution of the Project, that DCBio shall have competent staff in adequate numbers with qualifications and experience satisfactory to the World Bank, including the following key staff: a general coordinator, a deputy coordinator, an administrative official and an environmental specialist.
4. The Recipient shall cause MMA, through the Cooperation Agreement, to maintain the Sustainable *Cerrado* Initiative Committee, with membership and functions acceptable to the World Bank and with at least annual meetings to be held no later than each November 30, commencing on the first such date after the Effective Date, or such other date as the World Bank shall agree upon, with all its members present and with the participation of the World Bank, if the World Bank so requests, in order to evaluate and monitor the Sustainable *Cerrado* Initiative progress during the preceding twelve months and furnish to the World Bank minutes of said meetings.
5. The Recipient shall prepare jointly with DCBio and furnish to the World Bank on or about each November 30, commencing on any such date after the Effective

Date, or such other date as the World Bank shall agree upon, an annual operational plan (the Annual Operational Plan) for the Project and thereafter implement the Project during the following twelve months in accordance with said Annual Operational Plan.

6. On or before December 31, 2011, or such other date as the World Bank shall agree upon, the Recipient shall, through FUNBIO Project Unit: (a) carry out jointly with the World Bank and with DCBio a mid-term review of the implementation of operations under the Project (Midterm Review), covering the progress achieved in the implementation of the Project; and (b) following such Midterm Review, act promptly and diligently to take any corrective action as shall be recommended by the World Bank.

B. Anti-Corruption

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

C. Cooperation Agreement

1. To facilitate the carrying out of Components 1, 2, 3, 4, 5 and 6(a) of the Project, the Recipient shall make a portion of the proceeds of the Grant, available to MMA (through DCBio) under a cooperation agreement (the “Cooperation Agreement”) to be executed and thereafter implemented under terms and conditions acceptable to the World Bank between the Recipient and MMA in order for DCBio to carry out said Components 1, 2, 3, 4, 5 and 6(a) of the Project.
2. The Recipient shall, under the Cooperation Agreement, obtain adequate rights, including the right to: (i) suspend or terminate the right of MMA (through DCBio) to use the proceeds under the Cooperation Agreement, declare said Cooperation Agreement to be terminated and/or obtain a refund of all or any part of the proceeds under said Cooperation Agreement then withdrawn, upon MMA’s failure (through DCBio) to perform any of its obligations under the Cooperation Agreement; including the obligation to carry out Components 1, 2, 3, 4, 5 and 6(a) of the Project in accordance with the provisions of the Anti-Corruption Guidelines and (ii) require MMA to: (A) carry out its relevant activities under the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank as further described in the Operational Manual; (B) provide, promptly as needed, the counterpart funds and the resources required for the purpose of said activities; (C) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the activities carried out and the achievement of their objectives; (D) enable the World Bank or cause the

World Bank to be enabled under the Cooperation Agreement to inspect the activities carried out, their operation and any relevant records and documents; (E) prepare and furnish to the Recipient and to the World Bank Project Reports and the Completion Report as per Section II. A below; and (F) prepare and furnish to the Recipient and to the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing (and/or as needed to permit the Recipient to comply with its obligations pursuant to Component 6(b) of the Project) or cause all such information to be prepared and furnished to the Recipient and the World Bank under the Cooperation Agreement.

3. The Recipient shall exercise its rights under the Cooperation Agreement in such manner as to protect its own interests and the interests of the Member Country and of the World Bank in order to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Cooperation Agreement or any of its substantive provisions (such as objectives of the activities carried out and compliance with the Operational Manual). In case of any conflict between the terms of the Cooperation Agreement and those of this Agreement, the terms of this Agreement shall prevail.

D. Safeguards

1. Environmental Assessment for the Initiative, Environmental Assessment and Environmental Management Plan

The Recipient shall cause MMA, through DCBio, to carry out the Project or cause the Project to be carried out in accordance with the provisions and requirements of the Environmental Assessment for the Initiative, the Environmental Assessment and the Environmental Management Plan (including provisions for chance finding of cultural property and natural habitats).

2. Resettlement Framework for the Initiative

The Recipient shall cause MMA, through DCBIO, to carry out the Project or cause the Project to be carried out in accordance with the provisions and requirements of the Resettlement Framework for the Initiative, as applicable.

3. Indigenous Peoples Planning Framework for the Initiative

The Recipient shall cause MMA, through DCBIO, to carry out the Project or cause the Project to be carried out in accordance with the provisions and requirements of the Indigenous Peoples Planning Framework for the Initiative, as applicable.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall, through the Cooperation Agreement, cause MMA (through DCBio) to monitor and evaluate the progress of Components 1, 2, 3, 4, 5 and 6(a) 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 set forth in the 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, through the Cooperation Agreement, cause MMA (through DCBio) to 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. In order to assist the Recipient in preparing the Completion Report, they shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank.

B. Financial Management; Financial Reports; Audits

1. The Recipient, through FUNBIO Project Unit, 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, through FUNBIO Project Unit, 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, through FUNBIO Project Unit, shall have the 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-consultants' 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 “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 (“Procurement Guidelines”) in the case of goods, works and non-consultants’ services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Recipients” published by the World Bank in May 2004 and revised in October 2006 (“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 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 (“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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

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

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

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

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

Contracts awarded on the basis of National Competitive Bidding are subject to the following additional provisions, namely 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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Quality-based Selection
(b) Selection under a Fixed Budget
(c) Least-Cost Selection
(d) Selection based on Consultants' Qualifications
(e) Single-source Selection
(f) Procedures set forth in Paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g) Sole Source Procedures for the Selection of Individual Consultants

D. Review by the World Bank of Procurement Decisions

1. 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.
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-consultants' Services, Consultant Services, Workshops and Training	3,550,000	100%
(2) Operating Costs for FUNBIO	450,000	100%
TOTAL AMOUNT	4,000,000	

3. For the purposes of this table:

- (a) the term “Workshops” means: (i) workshop materials and rental of facilities; and (ii) reasonable fees, travel, accommodation and per diem of workshop facilitators and participants;
- (b) the term “Training” means: (i) training materials and rental of training facilities; and (ii) reasonable fees, travel, accommodation and per diem of trainers, training institutions and trainees;
- (c) the term “Operating Costs” means recurrent costs associated with the coordination and implementation of the Project by the Recipient, including: (i) operation and maintenance of vehicles, repairs, fuel and spare parts; (ii) equipment and computer maintenance; (iii) shipment costs (whenever these costs are not included in the cost of goods); (iv) office supplies and equipment; (v) rent for office facilities; (vi) utilities; (vii) travel, accommodation and per diem costs for technical staff carrying out supervisory and quality control activities; (viii) communication costs including advertisement for procurement purposes; and (ix) all costs associated with audits; and
- (d) the term “Non-consultant Services” means the reasonable expenditures incurred on account of Project implementation to cover reasonable costs of rental of software, data collection services and other services which are not rendered by consultants and which are not covered in the definitions of Workshops and Training and Operating Costs as set forth in paragraphs (a), (b) and (c) above.

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 \$600,000 equivalent may be made for payments made during the twelve months immediately before this date, for Eligible Expenditures under Categories (1) and (2).
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 1, 2013.

Section V. Other Undertakings

The Recipient, through FUNBIO Project Unit, shall no later than four months after the Effective Date, hire the independent auditors required for the audits referred to in Section II.B.3 above, under terms of reference and with qualifications and experience satisfactory to the World Bank and in accordance with the provisions of Section III above.

APPENDIX

Modifications to the Standard Conditions - Definitions

Section I. **Modification to the Standard Conditions**

The Standard Conditions are modified as follows:

1. The reference to “Member Country” in the Standard Conditions and in this Agreement means the Federative Republic of Brazil.
2. The provisions of Section 5.03, *Arbitration*, are deleted in their entirety and replaced by the following:

"Section 5.03. *Arbitration*. Any dispute, controversy, or claim arising out of or relating to the Grant Agreement, which has not been settled by agreement of the parties, shall be submitted to arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of the Grant Agreement, and the following provisions: (a) the appointing authority shall be the Secretary-General of the Permanent Court of Arbitration; and (b) the language of the arbitral proceedings shall be English."

Section II. **Definitions**

1. “Annual Operational Plan” means each plan referred to in Section I.A.5 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.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “*Cerrado*” means the collection of ecosystems that composes the *Cerrado* Biome.
5. “*Cerrado* Biome” means a savannah and dry forest biome in the central highlands of the Member Country’s territory which covers an area equivalent to 200 million hectares.
6. “*Cerrado* Biome Database” means a database to be developed by MMA under Component 4 of the Project.

7. “CIMA” means *Centros Irradiadores de Manejo da Agrobiodiversidade*, the Member Country’s centers for disseminating agro-biodiversity management practices as established and operating under the Member Country’s 2008-2011 multi-annual budget program No. 1426 (*Conservação, Manejo e Uso Sustentável da Agrobiodiversidade*).
8. “CONACER” means *Comissão Nacional do Programa Cerrado Sustentável*, the Member Country’s national commission on *Cerrado* as established and operating under the Member Country’s Decree No. 5577, dated November 8, 2005.
9. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Recipients” published by the World Bank in May 2004 and revised in October 2006.
10. “Cooperation Agreement” means an agreement to be executed between the Recipient and MMA, in form and substance satisfactory to the World Bank, defining the collaboration framework between parties for the carrying out of Component 6(b) of the Project by the Recipient and for the carrying out of Components 1, 2, 3, 4, 5 and 6(a) of the Project by MMA (through DCBio).
11. “DCBio” means *Departamento de Conservação da Biodiversidade*, a department for biodiversity conservation within the administrative structure of SBF (within MMA), in charge of the overall technical supervision and coordination of the Project, in particular Components 1, 2, 3, 4, 5 and 6(a).
12. “Effective Date” means the date so-referred to in Section 5.03 of this Agreement.
13. “Environmental Assessment” means the document satisfactory to the World Bank, dated May 8, 2007 prepared by the Recipient for each relevant activity under the Project in accordance with the Environmental Assessment for the Initiative, published and available to the public on the website <http://www.funbio.org.br>, as said assessment may be amended from time to time with the World Bank’s prior approval and which contains protection measures for the environment, pest management and cultural property in respect of the Project, including identification of existing environmental, pest management or cultural property conditions and potential direct and indirect impacts from the carrying out of the Project, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact.
14. “Environmental Assessment for the Initiative” means a planning framework for environment, pest management and cultural property chance finding, satisfactory to the World Bank, prepared in the context of the Sustainable *Cerrado* Initiative for the purposes of mitigating any adverse impact on the environment, pest management and cultural property as a result of the Sustainable *Cerrado*

Initiative and the Sustainable *Cerrado* Initiative Related Projects, including this Project, dated May, 2008, published and available to the public on the website <http://www.mma.gov.br>, as said planning framework may be amended from time to time with the World Bank's prior approval.

15. "Environmental Management Plan" means the document satisfactory to the World Bank, dated May 08, 2007 prepared by the Recipient for each relevant activity under the Project in accordance with the Environmental Assessment for the Initiative, published and available to the public on the website <http://www.funbio.org.br>, as said plan may be amended from time to time with the World Bank's prior approval and which contains protection measures for the environment, pest management and cultural property in respect of the Project, including identification of existing environmental, pest management or cultural property conditions and potential direct and indirect impacts from the carrying out of the Project, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact.
16. "FUNBIO Project Unit" means a department within the administrative structure of the Recipient in charge of the day-to-day financial coordination and implementation of Components 1, 2, 3, 4, 5 and 6(a) of the Project, including financial management, procurement and audit activities of Component 6(b), as established and operating under the Cooperation Agreement.
17. "Indigenous Peoples Planning Framework for the Initiative" means a planning framework for indigenous peoples, satisfactory to the World Bank, prepared in the context of the Sustainable *Cerrado* Initiative for the purposes of mitigating any adverse impact on indigenous peoples as a result of the Sustainable *Cerrado* Initiative and the Sustainable *Cerrado* Initiative Related Projects, including this Project, dated June 9, 2009, published and available to the public on the website <http://www.mma.gov.br>, as said planning framework may be amended from time to time with the World Bank's prior approval.
18. "MDR" means *Módulos Demonstrativos de Recuperação de Áreas Degradadas de Cerrado*, the demonstration modules for the recuperation of *Cerrado* degraded areas, as established and operating through the Member Country's reference centers for rehabilitation of degraded áreas (*Centros de Referência em Recuperação de Áreas Degradadas*) in accordance with the Member Country's 2008-2011 multi-annual budget program No. 1305 (*Revitalização, de Bacias Hidrográficas em Situação de Vulnerabilidade e Degradação Ambiental*).
19. "Member Country" has the meaning set forth in Section I.1 of this Appendix.
20. "MMA" means the Member Country's Ministry of Environment.

21. “National Protected Areas Plan” means *Plano Nacional de Areas Protegidas*, the Member Country’s national plan for protected areas as established and operating under the Member Country’s Decree No. 5.758, dated April 17, 2006.
22. “National Protected Areas System” means *Sistema Nacional de Unidades de Conservação*, the Member Country’s national conservation unit system as established and operating under the Member Country’s Law No.9985, dated July 18, 2000.
23. “Operational Manual” means the operational manual for the Project, satisfactory to the World Bank to be adopted by the Recipient and which shall contain, *inter alia*: (i) the functions and responsibilities for the personnel of FUNBIO Project Unit and DCBio in charge of daily Project coordination and monitoring; (ii) the procedures for procurement of works, goods and services for the Project, as well as for financial management and audits (i.e. financial audit and procurement audit) of the Project; (iii) the indicators to be used in the monitoring and evaluation of the Project; (iv) flow and disbursement arrangements of Project funds; (v) the staffing plan for FUNBIO Project Unit and DCBio; (vi) the annual operational plan for the first year of the Project; and (vii) the Environmental Assessment for the Initiative, the Environmental Assessment, the Environmental Management Plan, the Resettlement Framework for the Initiative, the Indigenous Peoples Planning Framework for the Initiative and the Procurement Plan.
24. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006.
25. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 15, 2008 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.
26. “Resettlement Framework for the Initiative” means a planning framework for involuntary resettlement, satisfactory to the World Bank, prepared in the context of the Sustainable *Cerrado* Initiative containing the principles and policies that shall apply to the preparation and carrying out of any resettlement measure as a result of the Sustainable *Cerrado* Initiative and the Sustainable *Cerrado* Initiative Related Projects, including this Project, dated July 9, 2009, published and available to the public on the website <http://www.mma.gov.br>, as said planning framework may be amended from time to time with the World Bank’s prior approval.
27. “SBF” means *Secretaria de Biodiversidade e Florestas*, a unit within the administrative structure of MMA, as established and operating under the Member Country’s Decree No. 6.101, dated April 26, 2007.

28. “Sustainable *Cerrado* Initiative” means an umbrella project supported by a grant from the Global Environment Facility in the amount of USD 13 Million, the resources of which will be used to support four Projects (“Sustainable *Cerrado* Initiative Related Projects”), including the MMA *Cerrado* Policy and Biome Monitoring Project under this Agreement.
29. “Sustainable *Cerrado* Initiative Committee” means *Comitê da Iniciativa Cerrado Sustentável*, a committee created by MMA and including representatives from public and private institutions.
30. “Sustainable *Cerrado* Initiative Committee Legislation” means the regulation (*Portaria*) No. 327 dated June 14, 2007 adopted by MMA for the creation of said Sustainable *Cerrado* Initiative Committee.
31. “Sustainable *Cerrado* Initiative Related Projects” means each and all the Projects which will be approved by the World Bank as a consequence of the Sustainable *Cerrado* Initiative, including the MMA *Cerrado* Policy and Biome Monitoring Project under this Agreement.
32. “Sustainable *Cerrado* Program” means *Programa Cerrado Sustentável* or *Programa Nacional para a Conservação e Uso Sustentável do Bioma Cerrado*, the Member Country’s national program for the conservation and sustainable use of the *Cerrado* Biome.
33. “Sustainable *Cerrado* Program Action Plan” means *Plano de Ação para o Programa Cerrado Sustentável* or *Plano de Ação para o Programa Nacional para a Conservação e Uso Sustentável do Bioma Cerrado*, the Member Country’s action plan for the national program for the conservation and sustainable use of the *Cerrado* Biome to be established under Component 3(b) of the Project.
34. “Sustainable *Cerrado* Program Legislation” means the Member Country’s Decree No. 5.577, dated November 8, 2005.