Global Environment Facility
Grant Agreement

(Sustainable Land Management Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

and

AGENCIA DE COOPERACIÓN INTERNACIONAL DE CHILE
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated as of the Signature Date between: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF"); and AGENCIA DE COOPERACIÓN INTERNACIONAL DE CHILE ("Recipient").

WHEREAS:

(a) by letter No. 130902 dated March 13, 2013, Ximena George-Nascimento, acting as the GEF focal point in the Republic of Chile (the "Member Country"), to the GEF Regional Coordinator at the World Bank, has endorsed the Recipient as a direct recipient of the Grant funds;

(b) CONAF has signed Letter Agreements (Cartas de Acuerdo) with MMA, SAG and INDAP, all dated July 1, 2012, through which MMA, SAG and INDAP respectively agreed to support CONAF and take all measures to facilitate the implementation of the Project; and

(c) the Recipient is a national legal entity duly established pursuant to the terms of Law 18,989, dated July 13, 1990, duly published on July 19, 1990, and represents that it has the necessary legal capacity and powers to enter into this Agreement and perform its obligations herein set forth.

The World Bank and the Recipient hereby agree as follows:

Article I
Standard Conditions; Definitions


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 cause the Project to be carried out by CONAF, in accordance with the provisions of the Subsidiary Agreement and 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, a grant in an amount equal to five million eight hundred sixty three thousand six hundred thirty six United States Dollars ($5,863,636) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the GEF trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the 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 SLM Legislation and/or the AGCI Legislation shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient and/or CONAF to comply with any of their respective obligations under this Agreement or the Subsidiary Agreement, as the case may be.
(b) The CONAF shall have failed to comply with any of their pertinent obligations under the Subsidiary Agreement.

(c) CONAF and/or MMA and/or SAG and/or INDAP shall have failed to comply with any of their pertinent obligations under the Letter Agreements (Cartas de Acuerdo).

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 has been duly authorized or ratified by all necessary actions by the Recipient and the Member Country.

(b) The Subsidiary Agreement referred to in Section I.B of Schedule 2 to this Agreement has been executed on behalf of the Recipient and CONAF.

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 Member Country, showing the following matters:

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

(b) on behalf of the Member Country, that this Agreement has been duly authorized or ratified and is legally binding upon it in accordance with its terms; and

(c) the Subsidiary Agreement referred to in Section I.B of Schedule 2 to this Agreement has been duly authorized or ratified by the Recipient and CONAF and is legally binding upon each such party in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which
would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 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 Executive Director (*Director Ejecutivo*).

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

Teatino 180, piso 8
Santiago
Chile

Facsimile:
+56(2)827-5756

6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at District of Columbia, USA on behalf of the World Bank on November 5, 2013 and at Santiago, Chile on behalf of the Recipient on December 9, 2013.

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

By

[Signature]

Authorized Representative

Name: Susan G. Goldmark

Title: Country Director

AGENCIA DE COOPERACIÓN INTERNACIONAL DE CHILE

By

[Signature]

Authorized Representative

Name: Jorge Trucco

Title: Executive Director
SCHEDULE 1

Project Description

The objective of the Project is to develop a national framework for sustainable land management to combat land degradation, mainstream biodiversity into national policies, and protect forest carbon assets in the Member Country’s territory.

The Project consists of the following parts:

Part I: National Sustainable Land Management Framework

1. (a) Carrying out of an assessment of the potential of the Member Country’s existing agriculture, forestry, ranching and conservation programs, including MINAGRI Programs, to be part of the SLM Framework developed under Part I.4 of the Project; and (b) based on the assessment referred to in (a) herein: (i) development of recommendations to update said programs in order to become part of the SLM Framework; and (ii) identification of gaps between said existing programs and the requirements of the SLM Framework and development of proposals to cover those gaps.

2. Classification of geographic locales in the Member Country’s territory for SLM purposes based on, inter alia, their vulnerabilities and potential for replicating effective SLM.

3. Development and validation of eligibility criteria for beneficiary participation in SLM activities supported by the Member Country under the proposed SLM Framework including, inter alia, the creation of Conservation Districts.

4. Development of a SLM Framework, incorporating lessons learned from the implementation of Subprojects and other Project activities.

Part II: SLM Pilot Projects

1. Development of a Strategic Plan for each Strategic Pilot Area, including the identification of conservation corridors.

2. (a) Carrying out of Demonstration Activities of desirable SLM practices in Strategic Pilot Areas; and (b) development and carrying out of capacity building activities and technical assistance on best practices for agriculture, forestry, ranching and conservation for SLM.

3. Provision of technical assistance for the preparation and carrying out of Subprojects, including, inter alia: (a) assistance in the design of farm-level plans (planes prediales) to support the implementation of Subprojects; (b) carrying out of capacity building activities to raise awareness of SLM benefits; and (c) assistance in the preparation and submission
of applications to the Member Country for the financing of investments/activities under existing forestry, agriculture, ranching and conservation programs, for the purposes of carrying out Subprojects.

4. Carrying out of Subprojects by Eligible Beneficiaries in Select Regions.

Part III: SLM Monitoring and Evaluation System

1. Design of an SLM monitoring and evaluation system through, *inter alia:* (i) the carrying out of studies to identify the users’ needs and technology requirements; (ii) the provision of required hardware and software; (iii) the provision of technical assistance for SLM data management; and (iv) the development of operational manuals.

2. Implementation of the SLM monitoring and evaluation system in the Strategic Pilot Areas.

3. Development of a website to publish Project results and SLM data.

Part IV: Institutional Capacity Building

1. Development of inter-sectoral coordination mechanisms to support the SLM Framework.

2. Carrying out of capacity building activities to improve SLM.

3. Design and implementation of outreach activities and strategies to disseminate SLM information, including the design and implementation of communication campaigns and public awareness initiatives.

4. Development and implementation of a university-level course on SLM.

5. Development and carrying out of an international seminar on SLM.

Part V: Project Management

1. Support for Project management, through, *inter alia:* (a) the provision of training and workshops; and (b) the carrying out of the technical and fiduciary aspects of the Project, including Project audits.

2. Support for Project monitoring and evaluation, through, *inter alia:* (a) the establishment of systems and capacities for monitoring Project activities; and (b) the carrying out of Project impact evaluation activities.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. (a) The Recipient shall cause CONAF to operate and maintain throughout implementation of the Project, a Project implementation unit ("PIU"), with functions, staffing (including but not limited to a technical coordinator, and a financial management specialist), and responsibilities satisfactory to the World Bank and set forth in the Operational Manual.

(b) Without limitations to the provisions of paragraph (a) above, no later than two months after the Effective Date, the Recipient shall cause CONAF to hire a financial management specialist, under terms of reference approved by the World Bank, to carry out the financial management duties and responsibilities specified in the Operational Manual.

2. For purposes of providing general Project oversight and coordination, the Recipient shall cause CONAF to operate and maintain throughout the implementation of the Project, the National-Level Advisory Group, with functions, responsibilities and composition acceptable to the World Bank and specified in the Operational Manual, including representatives of CONAF, SAG, INDAP and MMA.

3. No later than three months after the Effective Date, and for purposes of providing advice during the implementation of the Project, the Recipient shall cause CONAF to establish, and thereafter operate and maintain throughout the implementation of the Project, a committee ("Management Committee") in each Strategic Pilot Area, with functions, responsibilities and composition acceptable to the World Bank and specified in the Operational Manual.

4. No later than two months after the Effective Date, the Recipient shall hire a financial management specialist, under terms of reference approved by the World Bank, to carry out the financial management duties and responsibilities specified in the Operational Manual.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to CONAF under a subsidiary agreement ("Subsidiary Agreement") between the Recipient and CONAF, under terms and conditions approved by the World Bank, which shall include, inter alia:
(a) The Recipient’s obligation to:

(i) manage the Designated Account and a local currency account from which advances of Grant funds to CONAF will be made by the Recipient to finance local expenditures;

(ii) prepare and submit requests for withdrawal of Grant funds;

(iii) review documentation provided by CONAF to record Project expenditures at an aggregate level; and

(iv) carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines.

(b) The obligation of CONAF to:

(i) carry out the Project (including the supervision of the carrying out of Subprojects by Eligible Beneficiaries), in accordance with the Operational Manual, the EMF, the IPPF and the provisions of the Anti-Corruption Guidelines;

(ii) procure the goods, consultants’ services and non-consulting services to be financed out of the proceeds of the Grant in accordance with the provisions of this Agreement;

(iii) maintain policies and procedures adequate to enable the Recipient to monitor and evaluate, in accordance with the Project indicators set forth in the Operational Manual, the progress of the Project and the achievement of its objectives;

(iv) (A) maintain a financial management system and prepare financial reports in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources received from the Recipient, and expenditures related to the Project; (B) prepare the Project’s budget and operational annual plan; (C) manage a local currency account where the Recipient shall deposit Grant funds; (D) process and record Project transactions in SIGFE;

(v) enable the Recipient and the World Bank to inspect the Project, its operation and relevant records and documents;
(vi) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing; and

(vii) prior to the carrying out of any given Subproject by the Eligible Beneficiaries, CONAF shall: (i) confirm that the relevant Eligible Beneficiary has submitted a farm-level plan (*plan predial*); and (ii) enter into an agreement with the corresponding Eligible Beneficiary (the "Subproject Agreement"), under terms and conditions acceptable to the World Bank, including, *inter alia*, the obligation of the Eligible Beneficiary to carry out the Subproject in accordance with the provisions of the EMF and the IPPF.

(c) The right of the Recipient to suspend or terminate the right of CONAF to use the proceeds of the Grant, or obtain refund of all or any part of the amount of the Grant then withdrawn, upon CONAF's failure to perform any of their obligations under the Subsidiary Agreement.

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

C. Operational Manual

1. The Recipient shall, and shall cause CONAF to, carry out the Project in accordance with the provisions of a manual (the Operational Manual), which shall include, *inter alia*: (i) a detailed description of Project activities and institutional arrangements for the Project; (ii) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (iii) the monitoring indicators for the Project; (iv) the institutional and administrative mechanisms established to ensure inter-institutional coordination; (v) the procedures to identify Selected Regions; (vi) the identification and definition of Strategic Pilot Areas; (vii) the processes, procedures and selection criteria to select Subprojects; (viii) the criteria and procedures to select Eligible Beneficiaries; (ix) the Environmental Management Framework (EMF); and (x) the Indigenous Peoples Planning Framework (IPPF).

2. Except as the Recipient and the World Bank may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.
3. In case of any conflict between the terms of the Operational Manual, the Subsidiary Agreement, and this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards

Without limitation to the provisions of Sections I.C.1 (ix) and I.C.1 (x) of this Schedule, the Recipient shall cause CONAF to carry out the Project in accordance with the EMF and IPPF.

E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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 (“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 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 forty five days after the end of the period covered by such report.

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. Without limitation to the provisions of Part A of this Section, the Recipient shall prepare and furnish to the World Bank as part of the Project Report, interim unaudited financial reports for the Project covering the relevant calendar semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient or any other period agreed with the World Bank. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
Section III.  Procurement

A.  General

1.  **Procurement and Consultant Guidelines.** All goods, non-consulting services and 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: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) in the case of goods and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“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 1.18 of the Procurement Guidelines and paragraph 1.25 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 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 and Non-consulting Services

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

2.  **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; and (d) Direct Contracting.

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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; and (f) 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.

E. Special Provisions

(a) In addition and without limitation to any other provisions set forth in this Section or the Procurement Guidelines, for procurement of goods and non-consulting services, ChileCompra may be used as an alternative to National Competitive Bidding and Shopping, as determined by the World Bank, provided that: (A) the specific bidding process under this method does not restrict foreign competition; (B) the lowest evaluated bid shall be selected for contract award; (C) there shall be no prescribed minimum number of bids to be submitted in order for a contract to be subsequently awarded; and (D) bidding documents and contracts include the fraud and corruption provisions set forth in the Procurement Guidelines.

(b) In addition and without limitation to any other provisions set forth in this Section or the Consultant Guidelines, the following principles of procurement shall expressly govern all employment of consultants:

(i) There shall be no prescribed minimum number of proposals to be submitted in order for a contract to be subsequently awarded.

(ii) For consultant services, contracts estimated to cost below $300,000 equivalent, ChileCompra may be followed as a consultants' selection method acceptable to the World Bank.
The call for expression of interest and award of contracts for consultants services costing $300,000 equivalent or more, and which are selected following the procedures set forth in Section III.C above, shall be published in the ChileCompra portal.

Section IV. Withdrawal of Grant Proceeds

A. General

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

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants' services, Training and Operating Costs under Part I, III, IV and V of the Project</td>
<td>1,951,621</td>
<td>Up to 100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants' services, Training and Operating Costs under Part II.1, II.2 and II.3 of the Project</td>
<td>3,912,015</td>
<td>Up to 100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>5,863,636</td>
<td>-</td>
</tr>
</tbody>
</table>
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 Signature Date, except for withdrawals up to an aggregate amount not to exceed $1,172,727.20 equivalent may be made for payments made prior to but the Signature Date on or after the date falling one year before the Signature Date for Eligible Expenditures.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 15, 2019.
APPENDIX

Section I. Definitions

1. “AGCI Legislation” means the Member Country’s Law No. 18.989, dated July 13, 1990 and published on July 19, 1990, as said law has been amended to the date of this Agreement.


3. “CONAF” means Corporación Nacional Forestal, the National Forestry Corporation, a private legal entity registered at the city of Santiago de Chile, and under the administrative jurisdiction of MINAGRI.

4. “Conservation Districts” means a geographic unit defined and delimited, for the purposes of guiding land-use and conservation measures that support SLM, pursuant to the Member Country’s Law No. 18.378, dated December 13, 1984 and published on December 29, 1984, as said law has been amended to the date of this Agreement.

5. “Demonstration Activities” means any investment activity selected in accordance with terms and conditions specified in the Operational Manual, including, inter alia, SLM activities that will be carried out on individual or community landholdings in cooperation and agreement with producers with a recognized legal title.

6. “Eligible Beneficiary” means any individual or community landholder with recognized legal rights over land in the Member Country’s territory, acceptable to the World Bank, selected to participate in the Project in a manner acceptable to the World Bank and in accordance with the selection criteria set forth in the Operational Manual.

7. “Environmental Management Framework” or “EMF” means the CONAF document dated November 12, 2012, as published and available to the public on the website www.conaf.cl, which contains the guidelines for the carrying out of environmental assessments and for the preparation and implementation of environmental management plans, as well as the environmental protection measures in respect of the Project, including measures for pest management,
forests, chance finding of cultural property and protection of natural habitats, identification of existing environmental conditions and potential direct and indirect environmental impacts from the carrying out of the Project, including Subprojects, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact, all in a manner acceptable to the World Bank.


9. “INDAP” means Instituto de Desarrollo Agropecuario, the Member Country’s Institute of Agriculture and Livestock Development, established pursuant to the Member Country’s Law No. 18.910, dated January 16, 1990 and published on February 3, 1990, as said law has been amended to the Signature Date.

10. “Indigenous Peoples Planning Framework” or “IPPF” means the CONAF frameworks dated January 2, 2013, as published and available to the public on the website www.conaf.cl, which contain, inter alia, procedures for the preparation and implementation of indigenous peoples plans, measures for addressing the needs of the indigenous peoples, guidelines and procedures for consultation with and informed participation of indigenous peoples residing or cultivating lands in areas under the Project, and a description of the institutional arrangements, as well as standards, rules and procedures applicable to involuntary restriction of access to natural resources in legally designated parks and protected areas (including reserves) which causes an adverse impact on the livelihoods of the affected persons in connection with the Project.

11. “Letter Agreement” means any of the letter agreements (Cartas de Acuerdo) signed by CONAF with MMA, SAG and INDAP respectively, all dated July 1, 2012, referred to in the WHEREAS Section.

12. “Management Committee” means the multi-stakeholders’ forum to be established by CONAF for purposes of facilitation of the carrying out of the Project purposes for each Strategic Pilot Area and to include, inter alia, public, private, community and producer participation.

13. “MINAGRI” means Ministerio de Agricultura, the Member Country’s Ministry of Agriculture.

14. “MINAGRI Programs” means the Afforestation and Reforestation Program established pursuant to the Member Country’s Law No. 701, dated October 15, 1974 and published on October 28, 1974; the Native Forest Restoration and Management Program established pursuant to the Member Country’s Law No.
20.283, dated July 11, 2008 and published on October 30, 2008; the Land Management Program for Degraded Lands established pursuant to the Member Country's Law No. 20.412, dated January 5, 2010 and published on February 9, 1974; and the Conservation Districts Law established pursuant to the Member Country's Law No. 18.378, dated December 13, 1984 and published on December 29, 1984, as said laws have been amended to the Signature Date.


16. “National-Level Advisory Group” means the group referred to in Section I.A.2 of Schedule 2 to this Agreement.

17. “Operating Costs” means the reasonable costs, which would not have been incurred absent the Project, required for the implementation of the Project, including for the maintenance and leasing of vehicles and equipment, for fuel, office supplies and other consumables, vehicle and equipment insurance, office rent, internet connection and communications costs, utilities and travel, transportation and accommodations.

18. “Operational Manual” means the manual satisfactory to the World Bank, dated March 15, 2013, referred to in Section I.C of Schedule 2 to this Agreement, as such manual may be amended from time to time with the World Bank’s prior approval.

19. “PIU” means the Project implementation unit within CONAF referred to in Section I.A.1 of Schedule 2 to this Agreement.

20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 14, 2013 and referred to in Section III.A.1(b) of Schedule 2 to this Agreement, as the same shall be updated from time to time in accordance with the provisions of paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines.

21. “SAG” means *Servicio Agrícola y Ganadero*, the Member Country’s Agriculture and Livestock Service established pursuant to the Member Country’s Law No. 18.755, dated October 23, 1988 and published on January 7, 1989, as said law has been amended to the Signature Date.

22. “Select Regions” means any of the following regions in the Member Country’s territory: the Central Andean Dry Puna, the Chile Matorral, the Winter Rainfall Forest - Valdivian Temperate Rainforest, and the Patagonian Andes Nothofagus
forests and steppe, and/or any other ecological area within the Member Country's territory, selected following the procedures established in the Operational Manual, and acceptable to the World Bank.


24. “Signature Date” means the latest of the two dates on which the Recipient and the World Bank signed the Grant Agreement and such definition applied to all references to “the date of the Grant Agreement” in the Standard Conditions.

25. “SLM” means sustainable land management.

26. “SLM Framework” means the framework of interlinked agriculture, forestry, ranching and environment programs and activities, created to ameliorate land degradation and/or desertification in the Member Country.

27. “SLM Legislation” means the following laws of the Member Country: Law No. 701, dated October 15, 1974 and published on October 28, 1974; Law No. 20.283, dated July 11, 2008 and published on October 30, 2008; Law No. 20.412, dated January 5, 2010 and published on February 9, 1974; and Law No. 18.378, dated December 13, 1984 and published on December 29, 1984, as said laws have been amended to the Signature Date.

28. “Strategic Pilot Area” means any of the areas identified and defined in the Operational Manual, within the Selected Regions, in which Subprojects shall be implemented.

29. “Strategic Plan” means any of the plans to be developed for each Strategic Pilot Area to promote holistic and long-term land-use planning at the landscape level, which plan shall identify priority locales for Subprojects and Demonstration Activities, land capability for both productive and conservation purposes, including the identification of conservation corridors, as well as environmental considerations, such as ecosystem connectivity, to promote a balanced and sustainable approach to rural development and land management.

30. “Subproject” means any sustainable land management investment activity included in the respective farm-level plan (plan predial), referred to in Part II.3 of Schedule 1 to this Agreement, selected in accordance with terms and conditions specified in the Operational Manual, that may include the following type of activities: (i) on-farm conservation practices to control erosion and improve fertility; (ii) establishment of conservation corridors; (iii) sustainable
forest management, including reforestation, planning and protection of habitats; (iv) agricultural best practices; (v) restoration activities in priority biodiversity habitats; (vi) improved efficiency of water use (including rainwater); and (vii) carbon sequestration through protection, reforestation and improved management of forests.

31. "Subproject Agreement" means any of the agreements to be entered into between CONAF and an Eligible Beneficiary, pursuant to Section I.B.1. (b). (vii) of Schedule 2 to this Agreement.

32. "Subsidiary Agreement" means the agreement between the Recipient and CONAF, referred to in Section I.B of Schedule 2 to this Agreement.

33. "Training" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including cost for travel, per diem and hotels, and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training and workshops.