

Acuerdos Bilaterales

Clasificación: 32-2006

Fecha de Ingreso: 26 de abril de 2006

Nombre de Acuerdo: Third Amendment to the Global Environmental Facility Trust Fund Grant Agreement – Environmental Protection and Sustainable Development of the Guarani Aquifer System Project – TF050950

Materia:

Partes: SG/OEA & International Bank for Reconstruction and Development

Referencia: IBRD

Fecha de Firma: 14 de noviembre de 2005

Fecha de Inicio:

Fecha de Terminación:

Lugar de Firma:

Unidad Encargada:

Persona Encargada:

Original:

Claves:

Cierre del proceso:

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

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Cable Address: INTBAFRAD
Cable Address: INDEVAS

October 31, 2005

Mr. José Miguel Insulza
Secretary General
General Secretariat of
Organization of American States
Unit of Sustainable Development
and Environment
189 F Street N.W.
Washington, D.C., 20006
U.S.A.

Re: Global Environmental Facility Trust Fund Grant Agreement-
(Environmental Protection and Sustainable Development of
the Guarani Aquifer System Project) – TF050950
Third Amendment to GEF Trust Fund Grant Agreement

Dear Sir:

We refer to the Global Environmental Facility Trust Fund Grant Agreement (the Grant Agreement), in support of the Environmental Protection and Sustainable Development of the Guarani Aquifer System Project, dated July 23, 2002, between the General Secretariat of the Organization of American States (the Recipient) and the International Bank for Reconstruction and Development (the Bank), acting as an implementing agency of the Global Environmental Facility (GEF), as amended.

Pursuant to your letter dated September 22, 2005, requesting the removal of the condition in paragraph 2 of the Schedule 1 to the Grant Agreement, in order to confirm the financing percentages of disbursements financed by the Bank under the Grant Agreement in accordance with the approved Country Financing Parameters, the Bank hereby agrees to amend the Grant Agreement as follows:

1. Article 1, section 1.01 (a) (v) of the Grant Agreement is hereby amended to read in its entirety as follows:

“Section 1.01 (a) (v) Sections 5.01; 5.02; 5.03; 5.04; 5.06; 5.07; 5.08; and 5.09;”

2. Article I, Section 1.01 (b) of the Grant Agreement is hereby amended to incorporate a new paragraph “(viii)” to insert the following modification to Section 5.08 of the General Conditions:

“(viii) A new section is added to read:

Section 5.08. Treatment of Taxes:

Except as otherwise provided in the Loan, the proceeds of the Loan may be withdrawn to pay for taxes levied by, or in the territory of, the Borrower or the Guarantor on the goods or services to be financed under the Loan, or their importation, manufacture, procurement or supply. Financing of such taxes is subject to the Bank's policy of requiring economy and efficiency in the use of the proceeds of its loans. To that end, if the Bank shall at any time determine that the amount of any taxes levied on, or in respect of any item to be financed out of the proceeds of the Loan is excessive or otherwise unreasonable, the Bank may, by notice to the Borrower, adjust the percentage for withdrawal set forth or referred to in respect of such item in the Loan Agreement as required to be consistent with such policy of the Bank."

3. The disbursement table set forth in Paragraph 1 of Schedule 1 to the Grant Agreement is amended and replaced in its entirety as set forth in the Attachment I to this letter.

4. The second paragraph of Schedule 1 to the Grant Agreement is eliminated and therefore Schedule I is amended and replaced in its entirety as set forth in the Attachment I to this letter.

Please confirm your agreement to the foregoing amendment by signing and dating this Amendment Letter in the space provided. This Amendment Letter shall be executed in two counterparts, each of which shall be an original. Upon your confirmation, please return one fully executed original to us.

The provisions of this amendment shall enter into effect as of its date first above written, upon receipt by Bank of one of the two original Amendment Letters signed by you.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By



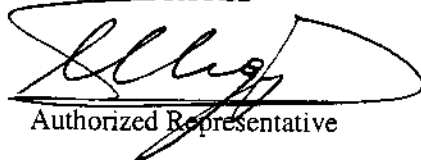
John Briscoe
Director

Brazil Country Management Unit
Latin America and the Caribbean Region

AGREED AND CONFIRMED:

**GENERAL SECRETARIAT OF THE ORGANIZATION
OF AMERICAN STATES**

By:



Authorized Representative

Name: José Miguel Insulza

Title: Secretary General

Date: November 14, 2005

Attachment I

SCHEDULE I

Withdrawal of the Proceeds of the GEF Trust Fund Grant

The table below sets forth the Categories of items to be financed out of the proceeds of the GEF Trust Fund Grant, the allocation of the amounts of the GEF Trust Fund Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	Amount of the GEF Trust Fund Grant Allocated (Expressed in <u>USD Equivalent</u>)	% of Expenditures to be-Financed
(1) Goods	785,400	100%
(2) Consultants' services	9,380,000	100%
(3) Training and workshops	1,353,000	100%
(4) Goods and services financed by grants under Part C (b) of the Project	240,000	100%
(5) Recipient's operating expenditures	597,000	100%
(6) GAS GPS Operating Expenditures	523,000	100%
(7) Unallocated	<u>521,600</u>	
TOTAL	<u>13,400,000</u>	

For the purposes of this Schedule:

(a) "Training and Workshops" means expenditures for the reasonable cost of rental of facilities, training materials, food, travel expenses, and facilitator fees related to trainings, seminars and workshops, and transportation costs for study tours and staff exchange arrangements between officials of the Beneficiaries working in groundwater issues;

(b) "Recipient's Operating Expenditures" means expenditures for the reasonable cost of travel for the Recipient's staff assigned to the Project: *per diems*, communications, overheads, administration of the Project, and remuneration of one professional staff and one administrative assistant working full-time for the Project; and

(c) "GAS GPS Operating Expenditures" means expenditures for the reasonable cost of office supplies, utilities, communications, travel and *per diem* of GAS GPS staff, travel and

per diem for members of the steering committee and the national Project execution units referred to in Section 3.03 of this Agreement.

The Bank may require withdrawals from the GEF Trust Fund Grant Account to be made on the basis of statements of expenditure for all expenditures, under such terms and conditions as the Bank shall specify by notice to the Recipient.

If the Bank shall have determined at any time that any payment made from the GEF Trust Fund Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall promptly upon notice from the Bank, refund to the Bank for deposit into the GEF Trust Fund Grant Account, an amount equal to the amount so used or the portion thereof as specified by the Bank.

Cleared with & bcc: Azevedo, Aryal (LCSES), Praag (LOAG1); Mroczka (LCOAA); De Oliveira, Crawford-Abbensetts (LEGLA);

Messrs./Mmes: Redwood, Mejia, Alberts, Brandon (LCSES), Altimari, Genta-Fons (LEG),

Draft by: Cleuzy V. De Oliveira and Lillian Yvone Mallet Crawford-Abbensetts (LEGLA)