



CONTRALORÍA GENERAL DE LA REPÚBLICA
DIVISIÓN JURÍDICA

MGV

**CURSA CON ALCANCES LA
RESOLUCIÓN N° 20, DE 2016, DE
LA AGENCIA DE COOPERACIÓN
INTERNACIONAL DE CHILE.**

SANTIAGO, 09.DIC.16 *088690

Esta Contraloría General ha dado curso al documento del rubro, mediante el cual se aprueba el convenio de donación suscrito entre la Agencia de Cooperación Internacional de Chile y el Banco Internacional de Reconstrucción y Fomento para la ejecución del proyecto de asistencia técnica para el desarrollo de la energía geotérmica sostenible, por encontrarse ajustado a derecho, pero cumple con hacer presente que las obligaciones que de él emanan para la entidad ejecutora se harán efectivas a su respecto solo una vez que esta manifieste su voluntad en orden a participar en las actividades comprometidas.

Luego, cabe manifestar que se ha tenido a la vista la traducción al español que se adjunta, la que se archivará en esta Entidad de Control con la copia de la resolución examinada.

Con los alcances que anteceden se ha tomado razón del acto administrativo del epígrafe.

Saluda atentamente a Ud.,

DOROTHY PEREZ GUTIERREZ
Contralora General de la República (S)

**AL SEÑOR
DIRECTOR EJECUTIVO DE LA
AGENCIA DE COOPERACIÓN INTERNACIONAL DE CHILE
PRESENTE**

MINISTERIO DE RELACIONES EXTERIORES

AGENCIA DE COOPERACIÓN
INTERNACIONAL DE CHILE

MINISTERIO DE HACIENDA
OFICINA DE PARTES

RECIBIDO

CONTRALORIA GENERAL DE LA
REPÚBLICA
TOMA DE RAZON

RECEPCION

DIVISIÓN JURIDICA

17 NOV 2016

DIVISIÓN ANÁLISIS CONTABLE

DIVISIÓN AUDITORIA ADM.

DIVISIÓN PERSONAL ADM. DEL ESTADO

DIVISIÓN DE INFRA. Y REGULACIÓN

DIVISIÓN DE MUNICIPALIDADES

Vº Bº - AGCI

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AGCI

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DEPTO. ADM. Y FINANZ.

REF.: APRUEBA EL CONVENIO DE DONACIÓN SUSCRITO ENTRE LA AGENCIA DE COOPERACIÓN INTERNACIONAL DE CHILE AGCI Y EL BANCO INTERNACIONAL DE RECONSTRUCCIÓN Y FOMENTO "BANCO MUNDIAL" PARA LA EJECUCIÓN DEL PROYECTO DE ASISTENCIA TECNICA PARA EL DESARROLLO DE ENERGIA GEOTERMICA SOSTENIBLE.

RESOLUCIÓN N° 20

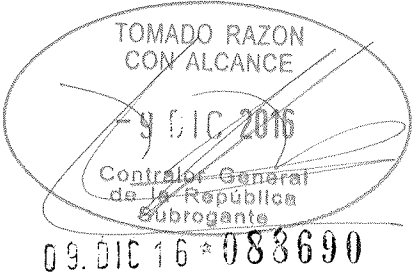
Santiago, 14 de Noviembre de 2016.

VISTOS:

Lo dispuesto en los artículos 29, 31 y 33 del D.F.L. 1/19.653, de 2000, del Ministerio Secretaría General de la Presidencia, que fija el texto refundido, coordinado y sistematizado de la Ley N° 18.575 Orgánica Constitucional de Bases Generales de la Administración del Estado; en los artículos 17, 19, 20, 21 y 22 del Título III de la Ley N° 18.989 Orgánica de AGCI, modificado por el artículo 3° de la Ley N° 19.999; en el Decreto Exento N° 928 del Ministerio de Relaciones Exteriores, de fecha 13 de mayo de 2015; y en la Resolución N° 1.600, de 2008, de la Contraloría General de la República, que Fija Normas sobre Exención del Trámite de Toma de Razón;

CONSIDERANDO:

- a) Que, la Agencia de Cooperación Internacional de Chile-AGCI tiene por finalidad, de conformidad con lo establecido en su Ley Orgánica N°18.989, determinar los planes y programas de cooperación internacional que se requieran para dar cumplimiento a las políticas de desarrollo del Gobierno y aprobar y coordinar los proyectos correspondientes, apoyando la transferencia, desde el exterior, de conocimientos que refuercen el sistema científico, la capacidad tecnológica, el proceso productivo, el comercio exterior y el desarrollo social del país y a su vez, posibilitar un creciente flujo de recursos financieros y técnicos que contribuyan al logro de los objetivos anteriores;
- b) Que, la Agencia de Cooperación Internacional de Chile y el Banco Internacional de Fomento y Reconstrucción, suscribieron convenio de donación N° TF0A3726, para la ejecución del Proyecto de Asistencia Técnica para el Desarrollo de Energía Geotérmica Sostenible.
- c) Que, dicho convenio suscrito entre la Agencia de Cooperación Internacional de Chile y el Banco Internacional de Fomento y Reconstrucción, establece los términos y condiciones de la cooperación entre las Partes para la ejecución de las actividades del proyecto de Asistencia Técnica para el Desarrollo de Energía Geotérmica Sostenible (en lo sucesivo, "proyecto"), y que es necesario aprobar mediante la presente resolución.



RESUELVO:

1° APRUÉBASE el Convenio de donación N° TF0A3726, suscrito entre la Agencia de Cooperación Internacional de Chile "AGCI" y el Banco Internacional de Fomento y Reconstrucción "Banco Mundial", para la ejecución de las actividades del proyecto de Asistencia Técnica para el Desarrollo de Energía Geotérmica Sostenible , cuyo texto es el siguiente:

The World Bank INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL DEVELOPMENT ASSOCIATION	1818 H Street N.W. Washington, D.C. 20433 U.S.A.	(202) 477-1234 Cable Address: INTBAFRAD Cable Address: INDEVAS
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OCTOBER 26, 2016

Mr. Juan Pablo Lira Bianchi
Executive Director
Agencia de Cooperación Internacional de Chile (AGCI)
Teatinos 180, Piso 8
Santiago
Republic of Chile

Dear Sir:

Re: Republic of Chile: CTF Grant No. TF0A3726 -- Technical Assistance for Sustainable Geothermal Development Project

In response to the request for financial assistance made on behalf of the Republic of Chile ("Beneficiary" or "Member Country") through the Chilean International Cooperation Agency, AGCI ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by various donors ("Donor(s)" to the Clean Technology Fund), proposes to extend to the Recipient, a grant in an amount not to exceed one million seven-hundred eighty thousand United States Dollars (\$1,780,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annexes, to assist in the financing of the Technical Assistance for Sustainable Geothermal Development project described in Annex I ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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.

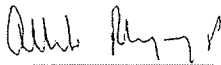
The Recipient represents, by confirming and signing this Agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.



Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date specified by the World Bank in accordance with Article IV of Annex 1 to this Agreement; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement from the Recipient within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
(Acting as the administrator of grant funds provided by various Donors to
the Clean Technology Trust Fund)




Alberto Rodriguez
Director

Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

AGREED:

CHILEAN AGENCY FOR INTERNATIONAL
COOPERATION
(AGENCIA DE COOPERACIÓN
INTERNACIONAL DE CHILE, OR AGCI)

By 
Authorized Representative

Name JUAN PABLO LIRA B.

Title DIRECTOR EJECUTIVO AGCI

Date: _____

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
- (3) "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.
- (4) "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 (revised July 2014).
- (5) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 (revised July 2014).



Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** 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. **Definitions.** 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.

- (a) "AGCI" means *Agencia de Cooperación Internacional de Chile*, the Beneficiary's public agency for international cooperation, functionally decentralized, which is a legal entity with its own assets, under the supervision of the President of the Republic through the Ministry of Foreign Affairs, established through the Beneficiary'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.
- (b) "Bank's Safeguards Policies" means the Bank's operational policies and procedures, set forth in the Bank's operational manual and identified as OP/BP 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50, and 7.60, as said manual is published under www.WorldBank.org/opmanual.
- (c) "*Chilecompra*" means the electronic procurement system set forth in the Beneficiary's Law No. 19886 of August 29, 2003, published in the Beneficiary's Recipient's Official Gazette, dated July 30, 2003 and its Regulations set forth in Supreme Decree No. 250 of September 24, 2004.
- (d) "MoE" means the Beneficiary's Ministry of Energy, under the Beneficiary's Civil Service which develops and coordinates plans, policies and standards for the proper working and development of the energy sector, which ensures compliance and advises the government on all matters related to energy, or any successor thereto.
- (e) "Operating Costs" means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost, and *per diem* for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consultants' services and salaries of officials of the Beneficiary's civil service).
- (f) "Operational Manual" means the manual dated August 11, 2015 referred to in Section 2.03 (c) of Annex I to this Agreement, as the same may be updated from time to time with agreement of the World Bank.
- (g) "Subsidiary Agreement" means the agreement referred to in Section 2.03 (a) of Annex I to this Agreement.
- (h) "Training" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel 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 course and workshop preparation and implementation (but excluding goods and consultants' services).

Article II

Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to assist the Beneficiary in resolving specific barriers to improve the geothermal energy market conditions. By addressing key legal, social and market barriers, this technical assistance will contribute to the development of commercializeable geothermal resources.

The Project consists of the following parts:

Part 1: Improve policy framework and strengthen management capabilities to help mobilize investments in geothermal energy

The provision of support for:

- (a) The revision of the legal and regulatory framework for geothermal development, through, *inter alia*: (i) the drafting of the necessary regulations; (ii) the carrying out stakeholder consultations; and (iii) the evaluation of the impact of the reforms to adjust the framework for optimal performance.
- (b) The review of the legal and regulatory framework for geothermal energy concessions, and developing recommendations on reform including, *inter alia*: (i) a review of the Beneficiary's internal concession management system to optimize operations; (ii) the identification of steps to strengthen the monitoring of awarded concessions to ensure compliance with investment and related agreements; and (iii) the evaluation of exploitation concession requests, all aiming at carrying out the necessary restructuring of the Beneficiary's geothermal concession system and improvement of its oversight and process management.
- (c) Carrying out capacity building and institutional strengthening activities for MoE, including, *inter alia*: (i) the provision of on-the-ground advisory support to the MoE to boost its existing capacity on the geothermal sector; (ii) the provision of support for the coordination of all activities related to the Project; (iii) the identification of: (A) key evolving sector needs; and (B) just-in-time support and additional training and capacity building needs; and (iv) the facilitation of the means to address the needs mentioned under subsection (iii) of this paragraph.
- (d) Carrying out activities to promote stakeholder engagement to address social and environmental considerations of geothermal development, such as: (i) consultations; and (ii) awareness building activities including exchanges with other geothermal development countries and the incorporation of feedback arising from said activities into the reforms that will be implemented through the Project.

Part 2: Enhancing market conditions for promoting sustainable development of the geothermal energy sector

The provision of support for:

- (a) The design and preparation of a geothermal resource risk mitigation framework, including, *inter alia*, its: (i) selection; (ii) consultation; (iii) refining; (iv) implementation; and (v) the carrying out



of a revision of the legal and regulatory framework to support the geothermal risk mitigation options that will be implemented in the Beneficiary's territory.

- (b) The design and development of an incentive framework for better integration of geothermal power in the Beneficiary's broader power market, including, *inter alia*, the rationalization of the Beneficiary's geothermal expansion plans through the harmonization of its overall development goals with the existing power market conditions, including the undertaking of the necessary reforms and the implementation of adequate incentives.
- (c) The design of a strategy to enhance geothermal competitiveness in the long term by exploring synergies with alternate uses and related domestic sectors, including, *inter alia*: (i) the identification of the sectors best positioned in the Beneficiary's territory to develop low and medium enthalpy resources in an economic fashion; and (ii) the design of the most appropriate schemes to promote the use of said resources and their implementation.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. The Recipient shall carry out the Project activities in partnership with the MoE. To this end, the Recipient and MoE shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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"); and (c) this Article II.

2.03. **Institutional and Other Arrangements.** For the purposes of carrying out the Project, the Recipient shall:

- (a) Enter into a subsidiary agreement with MoE ("Subsidiary Agreement"), under terms and conditions acceptable to the World Bank, in accordance with the Operational Manual and this Agreement.
- (b) 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) Maintain, in collaboration with the MoE, an operational manual (the "Operational Manual") throughout Project activities implementation, satisfactory in form and substance to the World Bank, therein setting forth rules, methods, guidelines, standard documents and procedures for the carrying out of the Grant Activities, including, *inter alia*, the following: (i) a detailed description of Project activities; (ii) the administrative, financial, accounting, auditing, procurement and disbursement procedures for the implementation of the Project activities including the relevant standard documents; and (iii) the plan for the monitoring, evaluation and supervision of the Grant Activities, including the performance indicators. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.
- (d) Ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the World Bank's Safeguards Policies.

2.04. **Donor Visibility and Visit.**

- (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.



- (b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Beneficiary's territory for purposes related to the Project.

2.05. ***Project Monitoring, Reporting and Evaluation.***

- (a) The Recipient shall, in collaboration with the MoE, 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 forty-five (45) days after the end of the period covered by such report.
- (b) 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 (6) months after the Project Closing Date.

2.06. ***Financial Management.***

- (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
- (b) 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 (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.
- (c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. ***Procurement.***

- (a) **Goods and Non-consulting Services.** All goods, non-consulting services, and/or consulting services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in: (i) 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 (revised July 2014) ("Procurement Guidelines"), in the case of goods and non-consulting services; (ii) 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 (revised July 2014) ("Consultant Guidelines") in the case of consultants' services; and (iii) the provisions of this Section, 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").
- (b) **Definitions.** The capitalized terms used in the following paragraphs of 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.



- (c) **Particular Methods of Procurement of Goods and Non-consulting Services.**
 - (i) Except as otherwise provided in sub-paragraphs (ii) and (iii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
 - (ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) National Competitive Bidding subject to the additional provisions set out in the Annex II to this Agreement; (B) Shopping; and (C) Direct Contracting.
 - (iii) For the procurement of goods and non-consulting services estimated to cost up to an equivalent of three hundred and fifty thousand United States Dollars (\$350,000), the following methods may be used as an alternative to National Competitive Bidding or Shopping: (A) *ChileCompra*; and (B) Framework Agreements in accordance with procedures which have been found acceptable to the World Bank.
- (d) **Particular Methods of Procurement of Consultants' Services.**
 - (i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
 - (ii) The following methods, other than Quality- and Cost-based Selection, may be used for the 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 Individual Consultants; (G) Single-source procedures for the Selection of Individual Consultants; and (H) for consultant's services estimated to cost below three hundred thousand United States Dollars (\$300,000) equivalent, the procedures of *ChileCompra* may be followed as a form, acceptable to the World Bank.
- (e) **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.

Article III

Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 following table. The 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 Dollars)	Percentage of Expenditures to be financed (inclusive of taxes)
Goods, non-consulting services, consultants' services, Training and Operating Costs	1,780,000	100%
TOTAL AMOUNT	1,780,000	

3.02. *Withdrawal Conditions.* Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. *Withdrawal Period.* The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2020.

Article IV

Effectiveness; Termination

4.01. 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 action.
- (b) The Subsidiary Agreement referred to in Section 2.03 (a) of this Annex 1 has been executed on behalf of the Recipient and MoE.

4.02. As part of the evidence to be furnished pursuant to Section 4.01 (a) and (b) above, 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, 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 has been duly authorized or ratified by the Recipient and MoE and is legally binding upon each such party in accordance with its terms.

4.03. 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 4.01 ("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.



4.04. *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 ninety (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 V

Recipient's Representative; Addresses

5.01. *Recipient's Representative.* The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Executive Director.

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

Agencia de Cooperación Internacional de Chile
Teatinos 180, piso 8
Santiago
Chile

Phone: 56-2 28275700

5.03. *World Bank's Address.* 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



Annex II

Special Provisions Relating to: (a) the Procurement of Goods and Non-consulting Services under World Bank Financed Contracts Subject to National Competitive Bidding; and (b) Consultant's Services

- (a) In addition and without limitation to any other provisions set forth in Article II, Section 2.07 of Annex I of this Agreement or the Procurement Guidelines, the following principles of procurement shall expressly govern all procurement of goods, and non-consulting services under National Competitive Bidding procedures:
 - (i) The lowest evaluated bid shall be selected for contract award.
 - (ii) There shall be no prescribed minimum number of bids to be submitted in order for a contract to be subsequently awarded.
 - (iii) For contracts to cost up to an equivalent amount of three hundred and fifty thousand United States Dollars (\$350,000), *ChileCompra* procedures may be used, provided that the bidding documents are acceptable to the World Bank.
- (b) In addition and without limitation to any other provisions set forth in Article II, Section 2.07 of Annex I of this Agreement 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) The call for expression of interest and award of contracts for consultants' services for an equivalent amount of three hundred thousand United States Dollars (\$300,000) or more, which are selected following the procedures set forth in Section 2.07 (d) (ii) of Annex I to this Agreement, shall be published in the Beneficiary's *Mercado Público* Portal.



Standard Conditions

for Grants Made by the

World Bank

Out of

Various Funds

Dated February 15, 2012

ARTICLE I

Introductory Provisions

Section 1.01. *Application of Standard Conditions.* These Standard Conditions set forth certain terms and conditions generally applicable to grants made by IBRD or IDA out of various funds (other than IDA resources). They apply to the extent specified in the Grant Agreement.

Section 1.02. *Inconsistency with Grant Agreement.* If any provision of the Grant Agreement is inconsistent with a provision of these Standard Conditions, the provision of the Grant Agreement shall govern.

Section 1.03. *Definitions.* Except as otherwise provided in the Grant Agreement, wherever capitalized terms are used in these Standard Conditions or in the Grant Agreement, they have the meanings ascribed to them in these Standard Conditions.

Section 1.04. *References; Headings.* References in these Standard Conditions to Articles and Sections are to the Articles and Sections of these Standard Conditions. Their headings are inserted in these Standard Conditions for reference only and shall not be taken into consideration in interpreting these Standard Conditions.

ARTICLE II

Project Execution

Section 2.01. *Project Execution Generally.* The Recipient shall ensure that:

(a) the Project is carried out: (i) with due diligence and efficiency; (ii) in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices; and (iii) in accordance with the provisions of the Grant Agreement, including these Standard Conditions; and

(b) the funds, facilities, services and other resources required for the Project are provided promptly as needed.

Section 2.02. *Insurance.* The Recipient shall ensure that adequate provision is made for the insurance of any goods required for the Project and to be financed out of the proceeds of the Grant, against hazards incident to the acquisition, transportation and delivery of the goods to the place of their use or installation. Any indemnity for such insurance shall be payable in a freely usable currency to replace or repair such goods.

Section 2.03. *Land Acquisition.* The Recipient shall ensure that all action is taken to acquire as and when needed all land and rights to land that are required to carry out the Project and shall promptly furnish to the World Bank, upon its request, evidence satisfactory to the World Bank that such land and rights are available for the Project.

Section 2.04. *Use of Goods, Works and Services; Maintenance of Facilities.* The Recipient shall ensure that:

- (a) except as the World Bank shall otherwise agree, all goods, works and services financed out of the proceeds of the Grant are used exclusively for the purposes of the Project; and
- (b) all facilities relevant to the Project are at all times properly operated and maintained and all necessary repairs and renewals of such facilities are made promptly as needed.

Section 2.05. *Documents; Records.* The Recipient shall ensure that:

- (a) all documents related to the Project are promptly furnished to the World Bank upon its request, in such detail as the World Bank shall reasonably request;
- (b) records are maintained adequate to record the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods, works and services financed out of the proceeds of the Grant and to disclose their use in the Project, and such records are furnished to the World Bank promptly upon its request;
- (c) all records evidencing expenditures under the Project are retained until at least: (i) two years after the Closing Date; or (ii) if the World Bank requires audits of the Recipient's Financial Statements pursuant to Section 2.07 (b) below, the later of: (A) one year after the World Bank has received the audited Financial Statements covering the period during which the last withdrawal from the Grant Account was made; and (B) two years after the Closing Date; and
- (d) the representatives of the World Bank are able to examine all records referred to above in paragraphs (b) and (c), and are provided all such information concerning such records as they may from time to time reasonably request.

Section 2.06. *Project Monitoring, Reporting and Evaluation.* The Recipient shall:

- (a) ensure the maintenance of policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the World Bank, the progress of the Project and the achievement of its objectives; and
- (b) if so required in accordance with the provisions of the Grant Agreement:
 - (i) (A) ensure the preparation and delivery to the World Bank of one or more project reports ("Project Reports"), in form and substance satisfactory to the World Bank, integrating the results of such monitoring and evaluation activities and setting out measures recommended by the Recipient to ensure the continued efficient and effective execution of the Project, and to achieve the Project's

objectives; each Project Report to cover the period specified in the Grant Agreement and to be furnished to the World Bank not later than the date specified for that purpose in the Grant Agreement; and (B) afford the World Bank a reasonable opportunity to exchange views with the Recipient on such report, and thereafter implement such recommended measures, taking into account the World Bank's views on the matter; and

- (ii) ensure the preparation and delivery to the World Bank, not later than the date specified for that purpose in the Grant Agreement, of one or more completion reports ("Completion Reports"): (A) of such scope and in such detail as the World Bank shall reasonably request, on the execution of the Project, the performance by the Recipient and the World Bank of their respective obligations under the Grant Agreement and the accomplishment of the purposes of the Grant; and (B) a plan designed to ensure the sustainability of the Project's achievements.

Section 2.07. *Financial Management; Financial Statements; Audits.* The Recipient shall ensure that:

- (a) a financial management system is maintained and financial statements ("Financial Statements") are prepared in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project;

- (b) if so required in accordance with the provisions of the Grant Agreement:
 - (i) the Financial Statements are periodically audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank; and (ii) the Financial Statements, as so audited, are furnished to the World Bank not later than the date specified in the Grant Agreement for that purpose, together with such other information concerning the audited Financial Statements and such auditors, as the World Bank may from time to time reasonably request; and

- (c) the Financial Statements audited pursuant to paragraph (b) of this Section are made publicly available in a timely fashion and in a manner acceptable to the World Bank.

Section 2.08. *Cooperation and Consultation.* The Recipient and the World Bank shall cooperate fully to assure that the purposes of the Grant and the objectives of the Project will be accomplished, and to this end, throughout the implementation of the Project and for a period of ten years thereafter:

- (a) from time to time, at the request of either of them, exchange views on the Project, the Grant, and the performance of their respective obligations under the Grant

Agreement, and furnish to the other party all such information related to such matters as it shall reasonably request; and

(b) promptly inform the other party of any condition which interferes with, or threatens to interfere with, such matters.

Section 2.09. *Visits.* The Recipient shall, throughout the implementation of the Project and for a period of ten years thereafter:

(a) if it is the Member Country, enable the representatives of the World Bank to visit any part of its territory for purposes related to the Grant;

(b) if it is not the Member Country, take all measures required on its part to enable the World Bank to visit any part of the Member Country's territory for purposes related to the Grant; and

(c) enable the World Bank's representatives: (i) to visit any facilities and sites included in the Project; and (ii) to examine the goods financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Grant Agreement.

Section 2.10. *Disputed Area*

In the event that the Project is in an area which is or becomes disputed, neither the World Bank's financing of the Project, nor any designation of or reference to such area in the Grant Agreement, is intended to constitute a judgment on the part of the World Bank as to the legal or other status of such area or to prejudice the determination of any claims with respect to such area.

ARTICLE III

Withdrawal of Grant Proceeds

Section 3.01. *Grant Account; Withdrawals Generally; Currency of Withdrawals*

(a) The World Bank shall credit the amount of the Grant in the currency of denomination of the Grant to the Grant Account. The Recipient may from time to time request withdrawals of amounts of the Grant from the Grant Account in accordance with the provisions of the Grant Agreement and of these Standard Conditions.

(b) Withdrawals of the proceeds of the Grant from the Grant Account shall be made in the currency of denomination of the Grant. The World Bank may, at the request and acting as an agent of the Recipient, and on such terms and conditions as the World Bank shall determine, purchase with such currency withdrawn from the Grant Account such other currencies as the Recipient shall reasonably request to meet payments for Eligible Expenditures. Whenever it shall be necessary for the purpose of the Grant

Agreement or these Standard Conditions to determine the value of one currency in terms of another, such value shall be as reasonably determined by the World Bank.

Section 3.02. *Funding Shortfall.* Notwithstanding the provisions of Section 3.01, no withdrawals shall be made if, as a result of such withdrawal, the total amount of the Grant withdrawn from the Grant Account would exceed the amount available to the World Bank from trust fund resources provided to it by other financiers for the purposes of the Grant. The Recipient shall bear the risk of any such funding shortfall, and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred in connection with the Grant Agreement which exceed the amount made available to the World Bank for the purposes of the Grant.

Section 3.03. *Special Commitment by the World Bank.* At the Recipient's request and on such terms and conditions as the Recipient and the World Bank shall agree, the World Bank may enter into special commitments in writing to pay amounts for Eligible Expenditures notwithstanding any subsequent suspension or cancellation of an amount of the Grant ("Special Commitment").

Section 3.04. *Applications; Supporting Evidence*

(a) When the Recipient wishes to withdraw an amount from the Grant Account or to request the World Bank to enter into a Special Commitment, the Recipient shall deliver to the World Bank a written application for the purpose in such form and substance as the World Bank shall reasonably request ("Application").

(b) The Recipient shall furnish to the World Bank: (i) evidence satisfactory to the World Bank of the authority of the person or persons authorized to sign each Application and the authenticated specimen signature of each such person; and (ii) such documents and other evidence in support of each Application as the World Bank shall specify, whether before or after the World Bank has permitted any withdrawal requested in the Application ("Supporting Evidence").

(c) Each Application for an amount of the Grant, and its Supporting Evidence, must be sufficient in form and substance to satisfy the World Bank that the Recipient is entitled to withdraw such amount from the Grant Account, and that such amount will be used only for the purposes specified in the Grant Agreement. Applications shall be made promptly in relation to Eligible Expenditures.

(d) The World Bank shall pay the amounts withdrawn by the Recipient from the Grant Account only to, or on the order of, the Recipient.

Section 3.05. *Designated Accounts*

(a) The Recipient may open and maintain one or more designated accounts into which the World Bank may, at the request of the Recipient, deposit amounts

withdrawn from the Grant Account as advances for purposes of the Project ("Designated Accounts"). All Designated Accounts shall be opened in a financial institution acceptable to the World Bank, and on terms and conditions acceptable to the World Bank.

(b) Deposits into, and payments out of, any Designated Account shall be made in accordance with the Grant Agreement and these Standard Conditions and such additional instructions as the World Bank may specify from time to time by notice to the Recipient. The World Bank may, in accordance with the Grant Agreement and such instructions, cease making deposits into any such account upon notice to the Recipient. In such case, the World Bank shall notify the Recipient of the procedures to be used for subsequent withdrawals from the Grant Account.

Section 3.06. *Eligible Expenditures.* The Recipient shall ensure that the proceeds of the Grant are used exclusively to finance expenditures which, except as otherwise provided in the Grant Agreement, satisfy the following requirements ("Eligible Expenditures"):

(a) the payment is for the reasonable cost of goods, works or services required for the Project, to be financed out of the proceeds of the Grant and procured, all in accordance with the provisions of the Grant Agreement;

(b) the payment is not prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(c) the payment: (i) is made on or after the date specified in the Grant Agreement for that purpose; and (ii) except as the World Bank may otherwise agree, is for expenditures incurred prior to the Closing Date.

Section 3.07. *Financing Taxes*

(a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the World Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals.

(b) In the absence of such specification, the use of any proceeds of the Grant to pay for such Taxes is nevertheless subject to the World Bank's policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the World Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the World Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such policy of the World Bank.

Section 3.08. *Reallocation.* If, in the World Bank's opinion, an amount of the Grant allocated to a category of Eligible Expenditures under the Grant Agreement will be insufficient to finance the expenditures under such category, the World Bank may, by notice to the Recipient:

(a) reallocate to such category any other amount of the Grant which in the World Bank's opinion is not needed for other Eligible Expenditures, to the extent required to meet the estimated shortfall; and

(b) if such reallocation will not fully meet the estimated shortfall, reduce the percentage of Eligible Expenditures to be financed under such category, in order that further withdrawals for such expenditures may continue until all such expenditures have been made.

ARTICLE IV **Cancellation; Suspension; Grant Refund**

Section 4.01. *Cancellation by the Recipient.* The Recipient may, by notice to the World Bank, cancel any unwithdrawn amount of the Grant, except that the Recipient may not cancel any such amount that is subject to a Special Commitment.

Section 4.02. *Suspension by the World Bank.* The World Bank may, by notice to the Recipient, suspend the right of the Recipient to make withdrawals from the Grant Account if any of the following events occurs and is continuing. Such suspension shall continue until the World Bank has notified the Recipient that such right to make withdrawals has been restored.

(a) *Interference.* If the Grant has been made to a Recipient which is not the Member Country, the Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Grant Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the World Bank to visit any part of its territory for purposes related to the Grant or the Project.

(b) *Performance Failure.* The Recipient has failed to perform any obligation under the Grant Agreement.

(c) *Fraud and Corruption.* At any time, the World Bank determines that any representative of the Recipient (or the Member Country, if the Recipient is not the Member Country, or any other recipient of any of the proceeds of the Grant) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Recipient (or the Member Country or any other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.

(d) *Cross Suspension.* IBRD or IDA has suspended in whole or in part the right of the Recipient (or of the Member Country, if the Recipient is not the Member Country) to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient (or by the Member Country) to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.

(e) *Extraordinary Situation.* As a result of events which have occurred after the date of the Grant Agreement, an extraordinary situation has arisen which makes it improbable that the Project can be carried out or that the Recipient will be able to perform its obligations under the Grant Agreement.

(f) *Misrepresentation.* A representation made by the Recipient in or pursuant to the Grant Agreement, or any representation or statement furnished by the Recipient and intended to be relied upon by the World Bank in making the Grant, was incorrect in any material respect.

(g) *Assignment of Obligations; Disposition of Assets.* The Recipient (or any other entity responsible for implementing any part of the Project) has, without the consent of the World Bank: (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Grant Agreement; or (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Grant; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the World Bank: (A) do not materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement or to achieve the objectives of the Project; and (B) if the Grant has been made to a Recipient which is not the Member Country, do not materially and adversely affect the financial condition or operation of the Recipient (or such other entity).

(h) *Membership.* The Member Country: (i) has been suspended from membership in or ceased to be a member of IBRD or of IDA; or (ii) has ceased to be a member of the International Monetary Fund.

(i) *Condition of Recipient.* If the Grant has been made to a Recipient which is not the Member Country:

- (i) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Recipient (or of any other entity responsible for implementing any part of the Project).
- (ii) The Recipient (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Grant Agreement.

- (iii) In the opinion of the World Bank, the legal character, ownership or control of the Recipient (or of any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Grant Agreement so as to materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement, or to achieve the objectives of the Project.

(j) *Ineligibility.* IBRD or IDA has declared the Recipient (other than the Member Country) ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA, as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient is ineligible to receive proceeds of any financing made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by such financier.

(k) *Additional Event.* Any other event specified in the Grant Agreement for the purposes of this Section has occurred ("Additional Event of Suspension").

Section 4.03. *Cancellation by the World Bank.* The World Bank may, by notice to the Recipient, terminate the right of the Recipient to make withdrawals with respect to an unwithdrawn amount of the Grant, and cancel such amount, if any of the following events occurs with respect to such amount:

(a) *Suspension.* The right of the Recipient to make withdrawals from the Grant Account has been suspended with respect to any amount of the Grant for a continuous period of thirty days.

(b) *Amounts not Required.* The World Bank determines, after consultation with the Recipient, that an amount of the Grant will not be required to finance Eligible Expenditures.

(c) *Fraud and Corruption.* At any time, the World Bank determines, with respect to any amount of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient (or the Member Country, if the Recipient is not the Member Country, or any other recipient of the proceeds of the Grant), without the Recipient (or the Member Country or other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.

(d) *Misprocurement.* At any time, the World Bank: (i) determines that the procurement of any contract to be financed out of the proceeds of the Grant is inconsistent with the procedures set forth or referred to in the Grant Agreement; and (ii) establishes the amount of expenditures under such contract which would otherwise have been eligible for financing out of the proceeds of the Grant.

(e) *Closing Date.* After the Closing Date, there remains an unwithdrawn amount of the Grant.

Section 4.04. *Amounts Subject to Special Commitment Unaffected.* No cancellation or suspension by the World Bank shall apply to amounts subject to any Special Commitment, except as expressly provided in the Special Commitment.

Section 4.05. *Grant Refund*

(a) If the World Bank determines that an amount of the Grant has been used in a manner inconsistent with the provisions of the Grant Agreement or these Standard Conditions, the Recipient shall, upon notice by the World Bank to the Recipient, promptly refund such amount to the World Bank. Such inconsistent use shall include, without limitation:

- (i) use of such amount to make a payment for an expenditure that is not an Eligible Expenditure; or
- (ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount, or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Recipient (or the Member Country, if the Recipient is not the Member Country, or other recipient of such amount of the Grant), in either case without the Recipient (or Member Country, or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.

(b) Except as the World Bank may otherwise determine, the World Bank shall cancel all amounts refunded pursuant to this Section.

Section 4.06. *Continued Effectiveness.* Notwithstanding any cancellation, suspension or refund under this Article, all the provisions of the Grant Agreement shall continue in full force and effect, except as specifically provided in these Standard Conditions.

ARTICLE V **Enforceability; Arbitration**

Section 5.01. *Enforceability.* The rights and obligations of the Recipient and the World Bank under the Grant Agreement shall be valid and enforceable in accordance with their

terms notwithstanding the law of any state or of any of its political subdivisions to the contrary. Neither the Recipient nor the World Bank shall be entitled in any proceeding under this Article to assert any claim that any provision of these Standard Conditions or of the Grant Agreement is invalid or unenforceable because of any provision of the Articles of Agreement of IBRD or IDA, as the case may be.

Section 5.02. *Failure to Exercise Rights.* No delay in exercising, or omission to exercise, any right, power or remedy accruing to any party under the Grant Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default. No action of such party in respect of any default, or any acquiescence by it in any default, shall affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 5.03. *Arbitration.* Any controversy between the parties to the Grant Agreement and any claim by any such party against the other arising under the Grant Agreement which has not been settled by agreement of the parties shall be submitted to arbitration by an arbitral tribunal ("Arbitral Tribunal") as hereinafter provided.

(a) The parties to such arbitration shall be the World Bank on the one side and the Recipient on the other side.

(b) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: (i) one arbitrator shall be appointed by the World Bank; (ii) a second arbitrator shall be appointed by the Recipient; and (iii) the third arbitrator ("Umpire") shall be appointed by agreement of the parties or, if they do not agree, by the President of the International Court of Justice or, failing appointment by said President, by the Secretary-General of the United Nations. If either side fails to appoint an arbitrator, such arbitrator shall be appointed by the Umpire. In case any arbitrator appointed in accordance with this Section resigns, dies or becomes unable to act, a successor arbitrator shall be appointed in the same manner as prescribed in this Section for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(c) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty days after such notice, the other party shall notify to the party instituting the proceeding the name of the arbitrator appointed by such other party.

(d) If, within sixty days after the notice instituting the arbitration proceeding, the parties have not agreed upon an Umpire, either party may request the appointment of an Umpire as provided in paragraph (b) of this Section.

(e) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(f) The Arbitral Tribunal shall decide all questions relating to its competence and shall, subject to the provisions of this Section and except as the parties shall otherwise agree, determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(g) The Arbitral Tribunal shall afford to the parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of the Arbitral Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to the Grant Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(h) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as are required for the conduct of the arbitration proceedings. If the parties do not agree on such amount before the Arbitral Tribunal convenes, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by the parties. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.

(i) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to the Grant Agreement or of any claim by any such party against the other such party arising under the Grant Agreement.

(j) If, within thirty days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party; (ii) enforce such judgment by execution; or (iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Grant Agreement. Notwithstanding the foregoing, if the Recipient is the Member Country, this Section shall not authorize any entry of judgment or enforcement of the award against the Recipient except as such procedure may be available otherwise than by reason of the provisions of this Section.

(k) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 7.01. The parties to the Grant Agreement waive any and all other requirements for the service of any such notice or process.

ARTICLE VI
Effectiveness; Termination

Section 6.01. *Effectiveness.* Unless otherwise specified in the Grant Agreement, the Grant Agreement shall become effective on the date as of which it has been executed by all parties to the Grant Agreement.

Section 6.02. *Termination.* The Grant Agreement and all obligations of the parties under it shall forthwith terminate when all such obligations have been fully performed.

ARTICLE VII
Miscellaneous

Section 7.01. *Notices and Requests.* Any notice (or request) pursuant to the Grant Agreement shall be in writing. Such notice (or request) shall be deemed to have been duly given (or made) when it has been delivered by hand or by mail, telex or facsimile (or, if permitted under the Grant Agreement, by other electronic means) to the party to which such notice (or request) is directed ("Addressee"), at the address specified in the Grant Agreement for the purpose (or at such other address as the Addressee shall have designated by notice to the party giving such notice or making such request) ("Address"). Deliveries made by facsimile transmission shall also be confirmed by mail.

Section 7.02. *Action on Behalf of the Recipient.* The representative designated by the Recipient in the Grant Agreement, for the purpose of this Section (or any person authorized in writing by such representative for the purpose) ("Recipient's Representative"), may take any action required or permitted to be taken pursuant to the Grant Agreement, and execute any documents required or permitted to be executed pursuant to the Grant Agreement on behalf of the Recipient.

Section 7.03. *Evidence of Authority.* The Recipient shall furnish to the World Bank: (a) sufficient evidence of the authority of the Recipient's Representative; and (b) the authenticated specimen signature of such representative.

Section 7.04. *Execution in Counterparts.* The Grant Agreement may be executed in several counterparts, each of which shall be an original.

Section 7.05. *Disclosure.* The World Bank may disclose the Grant Agreement and any information related to the Grant Agreement in accordance with its policy on access to information, in effect at the time of such disclosure.

APPENDIX
Definitions

1. "Additional Event of Suspension" means any event of suspension specified in the Grant Agreement for the purpose of Section 4.02 (k).
2. "Address" means the address of the Addressee referred to in Section 7.01, to which notices and requests pursuant to the Grant Agreement are to be directed.
3. "Addressee" means the party to which notices and requests are to be directed for the purpose of Section 7.01.
4. "Application" means an application made by the Recipient pursuant to Section 3.04 for withdrawal of an amount of the Grant from the Grant Account or to request the World Bank to enter into a Special Commitment with respect to an amount of the Grant.
5. "Arbitral Tribunal" means the arbitral tribunal established pursuant to Section 5.03.
6. "Closing Date" means the date specified in the Grant Agreement (or such later date as the World Bank shall establish by notice to the Recipient) after which the World Bank may, by notice to the Recipient, terminate the right of the Recipient to withdraw from the Grant Account.
7. "Completion Report" means each report to be prepared and furnished to the World Bank pursuant to Section 2.06 (b) (ii).
8. "Designated Account" means each account referred to in Section 3.05 into which the Bank may deposit amounts withdrawn from the Grant Account as advances for purposes of the Project.
9. "Dollar", "\$" and "USD" each means the lawful currency of the United States of America.
10. "Eligible Expenditure" means an expenditure the payment for which meets the requirements of Section 3.06 and which is consequently eligible for financing out of the proceeds of the Grant.
11. "Financial Statements" means the financial statements to be maintained for the Project in accordance with Section 2.07.
12. "Grant" means the grant provided for in the Grant Agreement.

13. "Grant Account" means the account opened by the World Bank in its books in the name of the Recipient to which the Grant is credited in accordance with Section 3.01 (a).
14. "Grant Agreement" means the grant agreement between the Recipient and the World Bank providing for the Grant, as such agreement may be amended from time to time. "Grant Agreement" includes these Standard Conditions as applied to the Grant Agreement, and all appendices, schedules and agreements supplemental to the Grant Agreement.
15. "IBRD" means the International Bank for Reconstruction and Development.
16. "IDA" means the International Development Association.
17. "Member Country" means the member of the World Bank in whose territory the Project is carried out or any of such member's political or administrative subdivisions. If the Grant is extended by the World Bank to such member as a party to the Grant Agreement, the term "Member Country" and "Recipient" refer to the same entity
18. "Project" means the project described in the Grant Agreement, for which the Grant is made, as the description of such project may be amended from time to time by agreement between the Recipient and the World Bank.
19. "Project Report" means each report on the Project to be prepared and furnished to the World Bank for the purpose of Section 2.06 (b) (i).
20. "Recipient" means the party to the Grant Agreement to which the Grant is made.
21. "Recipient's Representative" means the representative referred to in Section 7.02 designated by the Recipient in the Grant Agreement or authorized in writing by such representative for the purpose of such Section.
22. "Special Commitment" means any special commitment entered into or to be entered into by the World Bank pursuant to Section 3.03.
23. "Supporting Evidence" means the evidence and documents to be furnished to the World Bank in accordance with Section 3.04 (b) in connection with an Application.
24. "Taxes" includes imposts, levies, fees and duties of any nature, whether in effect at the date of the Grant Agreement or imposed after that date.
25. "Umpire" means the third arbitrator appointed pursuant to Section 5.03 (b).

26. "World Bank" means: (a) IBRD if the Grant is made or administered by IBRD; (b) IDA if the Grant is made or administered by IDA; and (c) collectively, IBRD and IDA if the Grant is made or administered by both IBRD and IDA.

2° **IMPÚTESE** el gasto que demande la presente resolución a la Cuenta contable de AGCI N° 1140539 "Programa de Mitigación de Riesgos Geotérmicos".

3° **ENVÍESE** copia de la presente resolución a la Fiscalía y a las Unidades y Departamentos de AGCI que corresponda y a las para conocimiento.

4° **ARCHÍVESE** dos ejemplares originales del Convenio que por esta resolución se aprueba, en el Centro de Documentación de AGCI.

5° **REMÍTASE** un ejemplar original del Convenio que por esta resolución se aprueba, AL Banco Internacional de Reconstrucción y Fomento "Banco Mundial".

ANÓTESE, TÓMESE RAZÓN Y COMUNÍQUESE.



JUAN LUIS EUGENIO PÉREZ MONJE
DIRECTOR EJECUTIVO (S)
AGENCIA DE COOPERACIÓN INTERNACIONAL DE CHILE

CONTRALORIA GENERAL TOMA DE RAZON NUEVA RECEPCION CON OFICIO N°	
DIVISIÓN JURIDICA	
DIVISIÓN ANÁLISIS CONTABLE	
DIVISIÓN AUDITORIA ADM.	
DIVISIÓN PERSONAL ADM. DEL ESTADO	
DIVISIÓN DE INFRA. Y REGULACIÓN	
DIVISIÓN DE MUNICIPALIDADES	
REFRENDACION	
MONTO \$ _____	
COMPROMETIDO \$ _____	
PRESENTE DCMTO. \$ _____	
SALDO POR COMPROMETER \$ _____	
V°B° PRESUPUESTO_____	