March 31, 2015

Ms. Jennifer Morris  
Chief Operating Officer  
Conservation International Foundation  
2011 Crystal Drive, Suite 500  
Arlington, VA 22202

SCF-FIP Grant No. TF018707  
Global Learning and Knowledge Exchange Project of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities

Dear Ms. Morris:

In response to the request for financial assistance made on behalf of Conservation International Foundation ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as an implementing entity of the Forest Investment Program ("FIP") under the Strategic Climate Fund ("SCF"), proposes to extend to the Recipient a grant in an amount not to exceed four million seven hundred twenty four thousand seven hundred and seventy United States Dollars (U.S.$4,724,770) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors ("Donors") to the FIP. 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 its 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: (a) as of the date of the countersignature, or (b) the date of the submission of the Operational Manual acceptable to the World Bank by the Recipient, whichever is later.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

James Dominic Close
Director
Climate Change Group

AGREED:

CONSERVATION INTERNATIONAL FOUNDATION

By

Authorized Representative

Name: Jennifer Morris
Title: Chief Operating Officer
Date: 4/16/15

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(3) FIP Investment Criteria and Financing Modalities dated June 29, 2010
(4) Framework Operational Guidelines of the DGM, dated September 12, 2013
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.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objectives of the Project are to: (a) organize and facilitate knowledge exchange, learning and capacity building for Indigenous Peoples and local communities (IPLC) at regional and global levels; and (b) strengthen the networks and alliances of IPLC organizations within and across regions with a view to enhancing their representation and voice in regional and global policy fora.

The Project consists of the following parts:

Part A: Global Learning, Outreach and Information Sharing:

Provision of training and workshops to: (i) facilitate exchange of knowledge, including outreach and information sharing; (ii) strengthen capacity of regional and global IPLC organizations and networks, facilitating their participation in REDD+ and climate change negotiations; and (iii) improve communications and outreach, and to maintain a database of activities, knowledge products, events and results for the DGM.

Part B: Technical Assistance and Secretariat Services to the GSC:

Provision of technical assistance to facilitate: (i) the establishment of GSC and providing secretariat services to it, including leadership training and advice as needed; (ii) external relations for the GSC; (iii) grievance redress mechanism to be managed by GSC; and (iv) updating the Framework Operational Guidelines of the DGM as directed by the GSC.

Part C: Planning, Monitoring and Reporting:

Provision of technical assistance to: (i) prepare a draft strategic plan and a 5-year provisional work plan and budget for the approval of the World Bank and the GSC; (ii) coordinate with the NEAs to develop a reporting framework on monitoring and
reporting for the DGM; and (iii) monitor and compile results reports on the DGM in coordination with the NEAs.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient 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"); (c) this Article II; (d) FIP Investment Criteria and Financing Modalities dated June 29, 2010; and (e) Framework Operational Guidelines of the DGM, dated September 12, 2013.

2.03. **Institutional and Other Arrangements.** (a) Without limitation upon the provision of paragraph 2.02, the Recipient shall serve as a secretariat to the Transitional Committee, and to the GSC once it is formally constituted. The GSC shall provide strategic oversight and monitor its implementation, and the Recipient shall carry out the Project in close collaboration with the GSC.

(b) By sixty (60) days following the date of Effectiveness, a provisional work plan and budget for the first year of the implementation of the Project shall be provided to the World Bank for its no objection.

(c) The Recipient shall, not later than March 31 of each year in and after 2016, submit the annual work plans and budgets of the Fiscal Year for the World Bank’s no objection.

(d) The Recipient shall prepare and submit the draft strategic plan to the World Bank for its no objection prior to its submission to the GSC in a timeline acceptable to the World Bank.

(e) On or before March 15 and September 15 of each year, the Recipient shall prepare and submit to the World Bank semi-annual implementation progress reports for the reporting semesters ending on December 31 and June 30 on the activities of the DGM Country Component, based on information provided by the NEAs, and the Project in a format agreed with the World Bank.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) 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 the indicators acceptable to the World Bank. Each Project Report shall cover the period of one semester, and shall be furnished to the World Bank not later than sixty (60) days after the end of the period covered by such report.

(b) The Recipient shall prepare and furnish to the World Bank an annual report on the DGM not later than ninety (90) days after the end of each Fiscal Year in a format agreed with the World Bank.
(c) 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 Closing Date.

2.05. 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 sixty (60) days after the end of each 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. 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.

2.06. Procurement

(a) All goods and 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 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”), and 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”). This requirement does not apply to services provided by the Recipient’s employees.

(b) Expenditures under Training, Workshops and Seminars and Operating Costs will follow administrative procedures of the Recipient.

(c) 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) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures
consisting of consulting services, goods, Training, Workshops and Seminars, and Operating Costs inclusive of Taxes.

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 December 31, 2020.

Article IV
Recipient’s Representative; Addresses

4.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Chief Operating Officer.

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

Martine Culbertson
Senior Director, Grants, Policy and Management
mculbertson@conservation.org

Susan Stone
Senior Director, Social Policy and Practice
sstone@conservation.org

2011 Crystal Drive, Suite 500, Arlington, VA 22202
1 (703) 341-2400

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

Madhavi M. Pillai
Sr. NRM Specialist, Climate Change Group
Mpillai3@worldbank.org

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
1 (202) 458-0844

Cable: Telex: Facsimile:
INTBAFRAD 248423 (MCI) 1-202-477-6391
APPENDIX
Definitions


2. “Bali Action Plan” means the decision adopted by the Conference of the Parties at its thirteenth session in Bali in December 2007 to launch a comprehensive process to enable the full, effective and sustained implementation of the UNFCCC through long-term cooperative action.

3. “Conference of the Parties” means the governing body of the UNFCCC, currently meeting once a year to review the progress of the UNFCCC.

4. “CIF” means the Climate Investment Funds established by the World Bank, in consultation with the other MDBs, developed and developing countries and other development partners, which initially consist of the SCF and CTF.

5. “CTF” means the Clean Technology Fund established under the framework of CIF.

6. “Country Components” means the projects that will be implemented in each FIP pilot country that supports the ground activities and capacity building for Indigenous Peoples and local communities.

7. “Dedicated Grant Mechanism for Indigenous Peoples and Local Communities” or “DGM” means a mechanism created as a special window under the Forest Investment Program to support full, effective and continuous participation of Indigenous Peoples and local communities in the design and implementation of the FIP as described in the FIP Design Document, consisting of this Project and the Country Components.

8. “Fiscal Year” means the Recipient’s fiscal year starting from July 1 of each year.

9. “FIP Design Document” means the design document for the Forest Investment Program, approved by the Strategic Climate Fund Trust Fund Committee and issued on July 7, 2009, and as said design may be amended from time to time in accordance with its terms.

10. “FIP Investment Criteria and Financing Modalities” means the document issued on June 29, 2010, which may be amended from time to time in accordance with its terms, detailing the investment criteria to guide the programming of FIP investments in selected pilots based on priority assessments and the financing modalities for those investments.

11. “Forest Investment Program” or “FIP” means the program established under the Strategic Climate Fund in accordance with the Governance Framework for the Strategic Climate Fund for the purposes set forth in the FIP Design Document.
12. "FIP Design Document" means the design document adopted by the FIP Sub-Committee in July 2009, as the same may be amended from time to time in accordance with its terms.

13. "FIP Pilot Countries" means the countries and/or regional pilots selected for the FIP financing, in accordance with the eligibility criteria and selection process set forth in the FIP Design Document.

14. "FIP Sub-Committee" means the sub-committee of the FIP, established in accordance with the paragraphs 26 through 31 of the SCF Governance Framework Document.

15. "Framework Operational Guidelines of the DGM" is the document dated September 12, 2013, which may be amended from time to time in accordance with its terms under the direction of the GSC, providing an overview of the DGM, its objectives, principles, overarching grant eligibility criteria, grant-making procedures and grievance redress, and, the role of different institutions in the governance of the program. For the avoidance of doubt, the term “Global Component” referred to in the Framework Operational Guidelines of the DGM means the Project.

16. "Global Steering Committee" or “GSC” means a global steering committee that will oversee the Project and provide its strategic oversight and monitor implementation.

17. "NEA" means a national executing agency that will work as the secretariat and facilitate the National Steering Committee to discharge its responsibilities in for the respective Country Components.

18. "National Steering Committee" means a committee that will oversee the implementation of the Country Components in each FIP pilot country.

19. "Operating Costs" means the reasonable costs of organizational administrative expenditures required for the management and support of the Project, including consumable material and supplies, utilities fees, insurance, communications, advertising, printing and stationary costs, office equipment operation and maintenance, charges for opening and operating bank accounts required for the Project, travel, lodging and per diems allowances for Project staff for Project implementation support, salaries of employees of the Recipient other than externally hired consultants.

20. "Operational Manual" means the manual, satisfactory to the World Bank, setting forth the policies and guidelines as well as comprehensive operating procedures for the Project, as the same may be amended from time to time by agreement between the World Bank and the Recipient.

21. "Reducing Deforestation and Forestation Degradation" or “REDD” as used in this document has the meaning assigned to it in the FIP Design Document, as set forth in footnote 1 of that document. For purposes of the Forest Investment Program, REDD means REDD+ and should be construed to include activities consistent with paragraphs 1(b) (iii) of the Bali Action Plan and modified, as necessary, to be consistent the decisions taken by the Conference of the Parties to the UNFCCC.


24. “Strategic Climate Fund Trust Fund Committee” means the trust fund committee of the SCF, established in accordance with paragraph 14 through 25 of the SCF Governance Framework Document.

25. “Transitional Committee” means the committee serving as the reference group to the Global Learning and Knowledge Exchange Component of the DGM until the establishment of the Global Steering Committee of the DGM.

26. “Training, Workshops and Seminars” means the costs associated with training, workshops, meetings, seminars and dissemination carried out under the Project, including travel and subsistence costs for participants and Recipient employees, consulting services fees and travel for trainers, interpretation/translation services, rental of facilities, preparation and production of materials including web-based, and any other costs related to training, workshops and seminars that are agreed upon by the World Bank and the Recipient.

27. “UNFCCC” means the United Nations Framework Convention on Climate Change, adopted in 1992 and came into force in March 1994, with an objective to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.