Donald Spencer  
Grants and Contracts Director  
World Resources Institute  
10 G Street NE, Suite 800  
Washington, DC 20002  
USA

Re: GEF Grant No. TF0A7529  
Urban Networking to Complement and Extend the Reach of the  
Sustainable Cities Project  
Letter Agreement

Dear Sir/Madam:

In response to the request for financial assistance made on behalf of the World Resources Institute ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as Implementing Agency and administrator of grant funds provided by the Global Environment Facility ("Donor"), proposes to extend to the Recipient a grant in an amount not to exceed two million United States Dollars (USD 2,000,000) ("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 Donor. 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 Donor 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.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
Acting as an Implementing Agency of the GEF

By: [Signature]
Ede Jorge Ijjasz-Vasquez
Senior Director
Social, Urban, Rural and Resilience Global Practice

1818 H Street NW · Washington, DC 20433 USA
AGREED:
WORLD RESOURCES INSTITUTE
By
Authorized Representative
Name: Donald Spencer
Title: Grants and Contracts Director
Date: 1 May 2018

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017
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"), with the modifications set forth in Section 1 of the Appendix to this Agreement, 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, in this Agreement, and in this Section 1.02:

(a) "C40" means C40 Cities Climate Leadership Group Inc., a non-profit corporation created by certificate of incorporation filed on November 22, 2010 under the laws of the State of Delaware, United States of America, for charitable and educational purposes, including but not limited to addressing environmental and climate change issues.

(b) "ICLEI" means ICLEI – Local Governments for Sustainability e.V., a non-profit organization created by articles of association registered on September 29, 2008 at the Bonn Local District Court, Federal Republic of Germany, for charitable and educational purposes, including but not limited to mobilizing and advocating local action for sustainable development.

(c) "Operational Manual" means the operational manual for the Project dated April 13, 2018 and agreed between the Recipient and the World Bank, as updated from time to time in accordance with the respective administrative procedures of the Recipient and the World Bank.

(d) "Project Cities" means the cities that are to benefit under the Project and/or those in which Project activities are to be implemented, consisting of:

(i) In Brazil: Recife and Brasilia,
(ii) In China: Guiyang, Shenzhen, Ningbo, Nanchang, Beijin, Tianjin, and Shijiazhuang,
(iii) In Cote D’Ivoire: Abidjan,
(iv) In India: Vijayawada, Guntur, Mysore, Jaipur, and Bhopal,
(v) In Malaysia: Melaka,
(vi) In Mexico: Xalapa, Campeche, and La Paz,
(vii) In Paraguay: Asuncion,
(viii) In Peru: Lima,
(ix) In Senegal: Dakar, Diamniadio and Saint Louis,
(x) In South Africa: Johannesburg, and,
(xi) In Vietnam: Hue, Ha Giang and Vinh Yen.

(e) "Sub-Grant" means a grant made by the Recipient out of the proceeds of the Grant to C40 or to ICLEI under the respective Sub-Grant Agreement (collectively, "Sub-Grants").
(f) "Sub-Grant Agreement" means an agreement between the Recipient and C40, or between the Recipient and ICLEI, referred to in Section 2.03 of this Annex (collectively, "Sub-Grant Agreements").

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to strengthen the Global Platform for Sustainable Cities (GPSC) for more integrated and sustainable urban planning and development through city-to-city and network knowledge sharing. The Project consists of the following parts:

1. Sustainability Profile Survey and Capacity Development Plan for Peer-to-Peer Exchanges

Identification and delivery of peer-to-peer services to Project Cities through, *inter alia*: (i) a sustainability profile survey, capturing information regarding the sustainable urban development efforts of Project Cities, identifying their needs and challenges, and providing a mechanism to monitor progress and impact on planning and policy-making; (ii) a capacity development plan setting out, *inter alia*, the Project Cities' needs, and grouping them into thematic clusters for training, capacity building, learning and knowledge sharing; (iii) support of peer-to-peer exchanges based on the sustainability profile survey and capacity development plan; and (iv) preparation of peer exchange documentation, including case studies and learning material, to be posted in a platform accessible to the Project Cities.

2. Learning Events, Webinars and Linkages to Global Events

Facilitation of learning by Project Cities and awareness raising of the GPSC through, *inter alia*: (i) two city academies, practical training workshops for Project Cities, focusing on integrated planning, low carbon development, finance and data; (ii) documentation and packaging of technical knowledge presented in the two city academies; (iii) side events and panels during the global city forums targeting the Project Cities and on priority topics identified in the capacity development plans; (iv) promotional events designed to promote participation in the GPSC of other cities; (v) webinars for Project Cities on priority topics identified in the capacity development plan.

3. Knowledge Management Documentation

Development of a platform to, *inter alia*, hold and catalog knowledge and good practices on sustainable urban development and connect Project Cities through the networks of GPSC through, *inter alia*: (i) a library of knowledge for a web platform, and (ii) new knowledge products and adaptation of existing tools for the GPSC platform.

4. Technical Advisory, Monitoring and Evaluation

Provision of (i) technical advice to Project Cities, and (ii) assistance in relation to monitoring of output quality, external audit(s), and final Project evaluation.

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 and as of July 1, 2016 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. **Institutional and Other Arrangements.**

A. **Institutional arrangements.**

The Recipient shall maintain, throughout Project implementation, a team of key staff, with qualifications and under terms of reference acceptable to the World Bank, as further detailed in the Operational Manual.

B. **Operational Manual.**

(a) The Recipient shall, and shall cause ICLEI and C40 to, carry out the Project in accordance with an Operational Manual, which shall set out detailed guidelines, methods and procedures for the implementation of the Project, including: (i) the indicators to be used in the monitoring and evaluation of the Project; (ii) the procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; (iii) roles and responsibilities of the Recipient, ICLEI and C40; (iv) procurement and financial management procedures (v) corruption and fraud mitigation measures; (vi) and such other arrangements and procedures as shall be required for the effective implementation of the Project.

(b) The Recipient shall not assign, amend, abrogate or waive any provision of the Operational Manual without the prior written approval of the World Bank.

(c) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. **Sub-Grants.**

(a) To facilitate the carrying out of Parts 1, 2 and 3 of the Project, the Recipient shall make the proceeds of the Grant allocated from time to time to category 2 of the table set forth in Section 3.01 of this Annex available to the C40 and ICLEI under Sub-Grant Agreements, under terms and conditions approved by the World Bank, each of which shall include the right to suspend or terminate the right of C40 or ICLEI, as the case may be, to use the proceeds of the Sub-Grant, or obtain a refund of all or any part of the amount of the Sub-Grant then withdrawn, upon the failure of C40 or ICLEI to perform any of the obligations under the respective Sub-Grant Agreement.

(b) Each Sub-Grant Agreement shall further include the obligation of C40 and ICLEI, respectively, to:

(i) carry out the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient, the Operational Manual, and the provisions of this Agreement;

(ii) provide, promptly as needed, the resources required for the purpose;
(iii) procure the goods and services to be financed out of the Sub-Grant in accordance with the provisions of this Agreement, and ensure that all such goods and services are used exclusively for the purposes of the Project;

(iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Project and the achievement of its objectives;

(v) (1) maintain a financial management system and prepare financial statements 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; and (2) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(vi) enable the Recipient and the World Bank to inspect the Project, its operation and any relevant records and documents; and

(vii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

(c) The Recipient shall exercise its rights under each Sub-Grant 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 or waive the Sub-Grant Agreements or any of their provisions.

2.04. Donor Visibility. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

2.05. 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 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 one month 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 months after the 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 one month 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 months after the end of such period.

2.07. **Procurement**

All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated April 6, 2018 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with 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 “Disbursement Guidelines for Investment Project Financing”, dated February 2017, 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services and Training under the Project</td>
<td>650,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-Grants</td>
<td>1,190,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Incremental Operating Costs</td>
<td>160,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>2,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this section, the following terms mean:

“Incremental Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred by the Recipient directly on account of Project implementation (which expenditures would not have been incurred absent the Project), including
communication and insurance costs, banking charges, rental expenses, freight charges, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, and in-house administrative staff costs for the Project (but excluding consultants’ services).

“Training” means the reasonable costs, as shall have been approved by the World Bank, for training, workshops and seminars conducted under the Project, including tuition, travel and subsistence costs for participants, costs associated with securing the services of trainers and speakers, rental of facilities, preparation and reproduction of materials, travel costs and _per diem_ for Project staff and consultants for travel linked to the preparation and/or implementation of training, workshop and seminars, and other costs directly related to training, workshop and/or seminar preparation and implementation (but excluding goods and consultants’ services).

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be for:

   (a) payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed USD 100,000 equivalent may be made for payments made prior to this date but on or after October 1, 2017, for Eligible Expenditures under Categories 1 and 2; and,

   (b) under Category 2, unless and until a Sub-Grant Agreement is executed between the Recipient and ICLEI and the Recipient and C40, respectively, under terms and conditions satisfactory to the World Bank, and in accordance with Section 2.03(C) of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is October 31, 2020.

**Article IV**

**Additional Remedies**

4.01. **Additional Events of Suspension.** The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

   (a) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the ICLEI or C40 of its obligations under the Sub-Grant Agreement.

   (b) the Recipient, C40 or ICLEI has failed to perform any of their respective obligations under a Sub-Grant Agreement.

**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 Grants and Contracts Director.

5.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:
Mr. Donald Spencer

World Resources Institute
10 G Street NE, Suite 800
Washington, DC 20002
USA

Telephone: +1-202-729-7648
Facsimile: +1-202-729-7610

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
APPENDIX
Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Paragraph 17 (Member Country) of the Appendix (Definitions) is modified as follows:

   “17. ‘Member Country’ means the member of the World Bank in whose country the Project is carried out or any such member’s political or administrative subdivision. If the Project is carried out in the territory of more than one member of the World Bank, ‘Member Country’ refers separately to each such member.”