The Right Honorable
Dean O. Barrow
Minister of Finance and Economic Development
Ministry of Finance and Economic Development
Sir Edney Cain Building
Belmopan City, Belize

Re: BELIZE- JSDF Grant for Promoting Sustainable Natural Resource-based Livelihoods Project (Grant No. TF012901)
Amendment No. 1 to the Grant Agreement

Excellency:

Please refer to the Agreement (the “Grant Agreement”), dated November 5, 2012 between Belize (the “Recipient”) and the International Bank for Reconstruction and Development (the “Bank”) for the above referenced Project. Please note that capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Grant Agreement.

We refer to your letter dated April 19, 2017 requesting the amendment of the Grant Agreement to update the institutional arrangements of the Project to allow selected Participating Communities to carry out procurement processes for goods, works and non-consulting services required for Subprojects under Part II and Part III of the Project, in accordance with the provisions of the Agreement and the Operational Manual. We are pleased to inform you that the Bank hereby agrees to amend the Grant Agreement as follows:

1. Section 2.03(a) of Article II of the Agreement is hereby amended to read as follows:

“(a) “Subsidiary Agreement

(i) To facilitate the carrying out of the Project, the Recipient shall sign an agreement with the Project Implementing Entity, under terms and conditions approved by the World Bank (“Subsidiary Agreement”) including, inter alia, the provisions set forth in the Attachment to this Annex.

(ii) Upon the approval of Sub-projects, the Project Implementing Entity shall enter into agreements with the Participating Communities (Sub-project Implementation Agreements) on terms and conditions acceptable to the World Bank, including, but not limited to the provisions set forth in Section 2.03(c) of the Annex to this Agreement.

(iii) The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such a manner as to protect the interests of the Recipient, the Project Implementing Entity and the World Bank and to accomplish the purposes of the Project. Except as the World Bank shall otherwise agree, the Recipient and the Project Implementing Entity shall not assign, amend, abrogate, waive or fail to enforce the Subsidiary Agreement or any of its provisions.”
Section 2.03(c) of the Grant Agreement is hereby amended to read as follows:

"(c) Sub-project Implementation Agreements, shall include:

(i) For Sub-projects, where the procurement of goods, works and non-consulting services shall be carried out by the Project Implementing Unit according to the provisions of this Agreement and the Operational Manual:

(A) The obligation of the Project Implementing Unit to:

1. carry out the fiduciary matters on behalf of the Participating Communities, which shall formally participate in the decision making process of key implementation aspects as part of the training to be conducted in Part IV (a) of the Project, using the learn-by-doing methodology;

2. procure goods, works and non-consulting services required under the Sub-projects in accordance with the provisions of Section 2.05 of this Agreement;

3. carry out the Sub-projects with due diligence and efficiency and in accordance with the Anti-Corruption Guidelines;

4. maintain adequate records and accounts, and make available such documentation to the Recipient and any other information that the Recipient may request in order to comply with its obligations under Section 2.04 of this Agreement;

5. take all necessary measures required to enable the World Bank's representatives to: (aa) visit any facilities and sites included in the Project; and (bb) examine the goods and equipment financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Sub-project Implementation Agreement;

6. assist in obtaining permits or certificates required for the Sub-projects implementation; and

7. except as the World Bank shall otherwise agree, not assign, amend, abrogate, repeal, terminate, waive or fail to enforce any Sub-project Implementation Agreement or any provision thereof.

(B) The obligation of the Recipient to:

1. cause the Sub-projects to be carried out by the Project Implementing Unit in accordance with procedures acceptable to the World Bank for each Sub-project carried out under Parts I, II and III of the Project as further detailed in the Operational Manual, the Environmental Management Framework, the Environmental Management Plan and the Indigenous Peoples Plan.

2. have the right to suspend in whole or in part the portion of the Grant allocated to finance a given Sub-project in case the Project Implementing Entity or the Participating Communities has failed to
comply with any of its obligations under the corresponding Subsidiary Agreement and/or the Sub-project Implementation Agreement.

(ii) For Sub-projects where procurement processes for goods, works and non-consulting services shall be carried out by a Participating Community, according to the provisions of this Agreement and the Operational Manual:

(A) The obligation of the Participating Community to:

(1) carry out procurement processes according to the Community Participation Procedures for goods, works and non-consulting services required under the Sub-projects in accordance with the provisions of Section 2.05 of this Agreement;

(2) carry out the Sub-projects with due diligence and efficiency and in accordance with the Anti-Corruption Guidelines;

(3) maintain adequate records and accounts, and make available such documentation to the Recipient and any other information that the Recipient may request in order to comply with its obligations under Section 2.04 of this Agreement;

(3) take all necessary measures required to enable the Project Implementing Entity or World Bank’s representatives to: (a) visit any facilities and sites included in the Project; and (b) examine the goods and equipment financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Sub-project Implementation Agreement; and

(4) except as the Project Implementing Entity shall otherwise agree, not assign, amend, abrogate, repeal, terminate, waive or fail to enforce any Sub-project Implementation Agreement or any provision thereof.

(B) The obligation of the Project Implementing Entity to:

(1) make payments required under the procurement of goods, works and non-consulting services required under the Sub-projects referred to in Section 2.03(d)(A) and have the right to suspend such payments in case the Participating Communities has failed to comply with any of its obligations under the corresponding Participation Agreement;

(2) assist in obtaining permits or certificates required for the Sub-projects implementation;

(3) visit any facilities and sites included in the Project; and examine the goods and equipment financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Sub-project Implementation Agreement; and
supervise and ensure that the procurement processes mentioned in (d)(i)(A) are carried out by the Participating Communities in accordance with Section 2.05 of this Agreement and the provisions of the Operational Manual.

Except as specifically amended in this Amendment Letter, all other terms and conditions of the Grant Agreement shall remain in full force and effect.

Please confirm your agreement with the foregoing amendment by signing, dating and returning to us the enclosed copy of this Amendment Letter. This Amendment Letter will be executed in two (2) counterparts, each of which shall be an original. The provisions of this Amendment Letter will become effective upon the receipt by the Bank of a countersigned original of the Amendment Letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Tahseen Sayed Khan
Country Director
Caribbean Country Management Unit

AGREED:

BELIZE

By: [Signature]
Name: [Name]
Title: MINISTER OF FINANCE
Date: July 11, 2017