Mr. Laurent Thomas  
Assistant Director-General  
Technical Cooperation Department  
Food and Agriculture Organization of the United Nations (FAO)  
Viale delle Terme di Caracalla  
Rome 00153, Italy

Re: Global Environment Facility Grant for Ocean Partnerships for Sustainable Fisheries and Biodiversity Conservation Project

Grant No: TF018236

Dear Sir/Madam:

I am writing on behalf of the International Bank for Reconstruction and Development ("Bank") to indicate the Bank’s agreement, as administrator of grant funds provided by the Global Environment Facility ("Donor") to make a grant in an amount not exceeding One Million Nine Hundred and Forty-Nine Thousand Two Hundred and Twenty United States Dollars (US$ 1,949,220) ("Grant") to the Food and Agriculture Organization of the United Nations ("Recipient") for the benefit of Member Countries of the Western Central Atlantic Fishery Commission ("Member Countries").

The Grant is made in response to the Recipient’s request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. Without limiting the generality of the foregoing, these terms and conditions include those of the Financial Management Framework Agreement between the World Bank and the United Nations, dated March 10, 2006 ("Financial Management Framework Agreement"), which are incorporated in this Letter Agreement to form a part hereof as if they were recited at length herein. The Recipient, by countersigning this Letter Agreement, acknowledges that it has received a copy of the Financial Management Framework Agreement and, if the Recipient was not an original signatory thereof, agrees that it is bound by the terms of the Financial Management Framework Agreement as if the Recipient had been an original party thereto. The Recipient represents, by confirming its agreement below, that: (i) it is authorized to contract and withdraw the Grant for the said purposes and on the said terms and conditions; and (ii) the references in sub-paragraphs (a) and (d) of paragraph 5 of the Annex to this Letter Agreement to the Recipient’s financial regulations and rules are complete and accurate, and the Recipient makes this representation knowing that the Bank shall rely on it for purposes of deciding to make the Grant.

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donor. The 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. Accordingly, the 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.

Please note that it is the Bank's policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure.

Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. Upon: (i) receipt by the Bank of the copy of this Letter Agreement countersigned by you; and (ii) agreement reached between the Bank and the Recipient as to the format of the interim unaudited financial reports referred to in Section 6(c) of the Annex to this Letter Agreement, this Letter Agreement will become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: Billal H. Rahill
Acting Senior Director
Environment and Natural Resources

AGREED:

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

By: Laurent Thomas
Assistant Director-General, Technical Cooperation Department

Date: 09/12/2014
Purposes, Terms, and Conditions of the Grant

1. **Purposes and Activities**

1.1. The purposes of the Grant are to contribute to the objectives of the Ocean Partnerships for Sustainable Fisheries and Biodiversity Conservation Project, whose Project Development Objective is to catalyze investment into selected transformational public-private partnerships that mainstream the sustainable management of highly migratory fish stocks spanning areas within and beyond national jurisdictions.

1.2. The activities ("Activities") for which the Grant is given relate to the analysis and development of business plans for pilot projects addressing more effective management of fisheries on shared highly migratory fish stocks occurring within Western Central Atlantic and Caribbean region.

2. **Implementation Generally**

2.1. The Recipient shall: (a) carry out the Activities with due diligence and efficiency, in accordance with the provisions of this Annex and 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; (b) promptly provide the funds, facilities, services and other resources required for that purpose; (c) furnish all information covering the Activities and the use of the proceeds of the Grant as the Bank shall reasonably request; (d) from time to time exchange views with the Bank's representatives on the progress and results of the Activities; (e) use its reasonable best efforts with the authorities of Member Countries of the Western Central Atlantic Fishery Commission to enable the Bank to visit the territories of the Member Countries for purposes related to the Grant; and (f) cause all goods and services financed out of the proceeds of the Grant to be used exclusively for the purposes of the Grant. Without limitation on the foregoing, the Recipient shall, if the Bank shall so request, prepare and furnish to the Bank promptly upon completion of the Activities a report, in form and substance satisfactory to the Bank, on the results and impact of the Activities.

3. **Procurement**

3.1. Except as the Bank shall otherwise agree, procurement of the goods, non-consulting services and consultants’ services required for the carrying out of the Activities and to be financed out of the proceeds of the Grant shall be governed by the provisions of Attachment I to this Annex, as said provisions may be further elaborated in a procurement plan approved by the Bank ("Procurement Plan"), covering the initial 18 month or longer period of implementation of the Activities. The Recipient shall update the Procurement Plan in accordance with guidelines acceptable to the Bank, and furnish such update to the Bank not later than 12 months after the date of the preceding Procurement Plan, for the Bank’s approval.

3.2. The Recipient shall ensure that all imported goods to be financed out of the proceeds of the Grant shall be insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and that any indemnity for such insurance is payable in a freely usable currency to replace or repair such goods. The Recipient shall ensure that any facilities relevant
to the Activities are at all times operated and maintained in accordance with appropriate practices and that any repairs or renewals of such facilities are promptly made as needed.

4. **Withdrawal of Grant Proceeds**

4.1. The amount of the Grant shall be credited to an account opened by the Bank on its books in the name of the Recipient ("Grant Account"), and may be withdrawn therefrom by the Recipient in accordance with the provisions of this paragraph 4, for expenditures in respect of the reasonable cost of goods and services required for the Activities and to be financed out of the proceeds of the Grant (sometimes hereinafter referred to as "eligible expenditures"). Withdrawals from the Grant Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Agreement.

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD and inclusive of Taxes)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Consultants’ services, non-consulting services, Training/Workshops, Dissemination, Operating Costs and others</td>
<td>1,949,220</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>1,949,220</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this paragraph, the term:

(a) "Goods" means: (i) machinery; and (ii) equipment;

(b) "Consultants’ services" means reasonable travel, room/board and per diem expenditures incurred by the contracted Consultant/firm;

(c) "Non-consulting services" means services for which the physical aspects of the activity predominate, are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied, such as drilling, aerial photography, satellite imagery, mapping, and similar operations;

(d) "Training/Workshops" means: (i) reasonable travel, room/board and per diem expenditures incurred by the trainees/participants in connection with their training/workshop; (ii) reasonable fees charged by Consultant/firm serving as trainers/facilitators; (iii) reasonable training facility and equipment rental expenses; and (iv) reasonable training/workshop material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph;
(e) "Dissemination" means reasonable expenditure incurred for material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph; and

(f) "Operating Costs" means reasonable expenditures directly related to the administration of the Project, incurred by the Recipient (which expenditures would not have been incurred absent the activities), including salaries, management services support costs, consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance, postage and handling, travel, lodging and per diems, and charges for the opening and operation of bank accounts required for the Project.

4.3. Notwithstanding the provisions of paragraph 4.2 above:

(a) no withdrawals shall be made from the Grant Account: (i) for payments made for expenditures prior to the date of signature of this Letter Agreement by the Bank; or (ii) for the purpose of any payment to persons or entities if such payment, to the Bank's knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(b) the Recipient may withdraw amounts of the Grant only to the extent that such amounts are available to the Bank from the Global Environment Facility for the purposes of the Grant;

(c) no withdrawals shall be made from the Grant Account after December 31, 2018, or such later date that the Bank shall establish by notice to the Recipient ("Closing Date"). However, withdrawals may be made after the Closing Date for expenditures incurred prior to the Closing Date if the corresponding withdrawal application is received by the Bank within four months after the Closing Date, after which time any amount of the Grant remaining unwithdrawn from the Grant Account shall be canceled;

(d) The use of any proceeds of the Grant to pay for taxes levied by, or in the territory of, the Recipient on the goods or services to be financed under the Grant, or on their importation, manufacture, procurement or supply, is subject to the Bank's policy of requiring economy and efficiency in the use of the proceeds of grants such as this Grant. To that end, if the Bank shall at any time determine that the amount of any taxes levied on or in respect of any goods or services to be financed out of the proceeds of the Grant is excessive or otherwise unreasonable, the Bank may, by notice to the Recipient, adjust the percentage of financing of such goods or services set forth in the table in paragraph 4.2 above, as required to be consistent with such policy of the Bank; and

4.4. When the Recipient shall desire to withdraw any amount from the Grant Account, it shall deliver to the Bank a written application for withdrawal of such amount in the form specified by the Bank. Withdrawal applications shall be: (a) signed on behalf of the Recipient by Assistant Director General, Technical Cooperation Department or such other person as he or she shall have authorized in writing; and (b) accompanied by such evidence in support of the application as the Bank shall reasonably request. Authenticated specimen signatures of the person authorized to sign withdrawal applications shall be provided with the first application bearing his or her signature. Each withdrawal application for an amount of the Grant and its supporting evidence must be sufficient in form and substance to satisfy the Bank that the Recipient is entitled to withdraw such amount from the Grant Account and that such amount is to be used in the carrying out of the Activities. The Bank
shall pay the amounts withdrawn by the Recipient from the Grant Account only to or on the order of the Recipient.

4.5. Withdrawals from the Grant Account shall be made on the basis of the interim unaudited financial reports referred to in paragraph (c) of Section 6 and under such other terms and conditions as the Bank shall specify by notice to the Recipient contained in the Disbursement Letter addressed or to be addressed by the Bank to the Recipient for purposes of the Grant.

4.6. Withdrawals of the proceeds of the Grant shall be made in the currency of the Grant. The Bank, at the Recipient’s request and acting as an agent of the Recipient, shall purchase with the currency of the Grant withdrawn from the Grant Account such currencies as shall be required to pay for expenditures to be financed out of the proceeds of the Grant. Whenever it shall be necessary, for the purposes of this Letter Agreement, to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

5. **Project Reporting**

5.1 The Recipient shall monitor and evaluate the progress of the Project and prepare implementation progress reports on the basis of indicators agreed with the World Bank. Each report shall cover the period of one year ending on June 30, and clearly specify the activities, results and deliverables achieved for such period and shall be furnished no later than forty-five (45) days after the end of the period covered by such report.

5.2 No later than two (2) months after the Closing Date, the Recipient shall provide a completion report to the World Bank, in form and substance satisfactory to the Bank. All Project activities financed by this Grant shall be committed and/or completed six months prior to that date.

6. **Accounts and Audits**

(a) The Recipient shall maintain or cause to be maintained a financial management system, including records and accounts, adequate to reflect the transactions related to the Activities, in accordance with the requirements of the document FAO “Financial Regulations” contained in the Basic Texts of the Food and Agriculture Organization of the United Nations, 2013 Edition (“Financial Regulations”).

(b) The Recipient shall maintain in a separate account in its records (“Grant Control Account”) a complete, true and faithful record of all the advances from the proceeds of the Grant and of all the expenditures paid from such advances.

(c) The Recipient shall prepare, on a semester basis, interim unaudited financial reports, in accordance with accounting standards established pursuant to the Financial Regulations and in the format agreed with the Bank, adequate to reflect the operations, resources and expenditures related to the Activities. The First Reporting Period is defined as the period from January to June. The Second Reporting Period is defined as the period from July to December. The first interim unaudited financial report will be due at the end of the Reporting Period immediately after effectiveness and will cover the period from the incurrence of the first expenditure through the end of said reporting period. The interim unaudited financial report for the First Reporting Period shall be furnished to the Bank not later than thirty (30) days after such Reporting Period. The interim unaudited financial report for the Second Reporting Period shall be furnished to the Bank not later than sixty (60) days after such Reporting Period.
(d) The Recipient shall ensure that the audit of the Activities is governed by:
(i) Regulations 7.1, 7.4 and 7.11 of the Financial Regulations; and (ii) the Financial Management Framework Agreement.

(e) The Recipient shall retain, until at least one year after the Bank has received the final interim unaudited financial report referred to in paragraph (b) of this Section 5 covering the quarter in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing all expenditures in respect of which withdrawals from the Grant Account were made.

7. **Suspension and Cancellation**

7.1. The Bank may at any time, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing: (a) the Recipient has failed to comply with any of its obligations herein specified; or (b) the right of the Recipient or the Member Countries, or any other entity to which the Bank has made a loan with the guarantee of the Member Countries, to make withdrawals under any loan agreement with the Bank or any development credit, grant or financing agreement with the International Development Association has been suspended; or (c) if, by notice sent jointly to the United Nations and the Recipient pursuant to paragraph (iv) of Section 9 of the Financial Management Framework Agreement, the Bank confirms that it reasonably believes the actions taken previously in accordance with said Section 9 have not been sufficient to fulfill its fiduciary obligation to ensure that the proceeds of the Grant were used for eligible expenditures; or (d) if, by notice sent jointly to the United Nations and the Recipient pursuant to sub-paragraph (a) of paragraph (iii) of Section 10 of the Financial Management Framework Agreement, the Bank confirms that alternative financial management arrangements mutually acceptable to the Bank and the relevant UN Organization were not reached within the period stipulated therein; (e) if the Bank determines at any time that a reference in sub-paragraph (a) or (d) of paragraph 5 of the Annex to this Letter Agreement to the Recipient’s financial regulations and rules is incomplete or inaccurate in any material respect; or (f) if any of the Member Countries has failed to afford all reasonable opportunity for representatives of the Bank to visit any part of its territory for purposes related to the Project.

7.2. The Bank may, by written notice to the Recipient, terminate the right of the Recipient to make further withdrawals from the Grant Account: (a) at any time after the right of the Recipient to make withdrawals from the Grant Account has been suspended pursuant to the provisions of paragraph 7.1 above; or (b) if the Recipient has failed to take action, satisfactory to the Bank, within six months after the effective date of this Agreement, to carry out the Activities; or (c) if the Recipient has withdrawn its request for the Bank’s assistance in financing the Project.
Attachment I

Procurement

Section I. General

A. All goods and non-consulting services shall be procured in accordance with the provisions of 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 (“Procurement Guidelines”), and with the provisions of this Attachment as the same may be elaborated in the Procurement Plan referred to in paragraph 3.1 of this Letter Agreement.

B. All consultants’ services shall be procured in accordance with 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 (“Consultant Guidelines”), and with the provisions of this Attachment as the same may be elaborated in the Procurement Plan referred to in paragraph 3.1 of this Letter Agreement.

C. The capitalized terms used below in this Attachment to describe particular procurement methods or methods of review by the Bank of particular contracts, have the meanings ascribed to them 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.

Section II. Particular Methods of Procurement of Goods and Non-consulting Services

Except as otherwise provided in Part A of this Section, Goods and non-consulting services shall be procured under contracts awarded on the basis of: (1) Shopping; and (2) Direct Contracting.

Section III. Particular Methods of Procurement of Consultants’ Services

Except as otherwise provided in Part B of this Section, consultants’ services shall be procured under contracts awarded on the basis of: (1) Quality- and Cost-based Selection, (2) Selection based on Consultants’ Qualifications; (3) Single-source Selection of Consulting Firms; (4) Selection of Individual Consultants; and (5) Single-source procedures for the Selection of Individual Consultants.

Section IV. Review by the Bank of Procurement Decisions

The Procurement Plan referred to in paragraph 3.1 of this Letter Agreement shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.