Dr. Santiago Rivas Leckir  
Executive Secretary  
Foro de Presidentes y Presidentas de Poderes Legislativos  
de Centro América y la Cuenca del Caribe  
Casa de la Vicepresidencia de la República  
Antigua prisión “El Hormiguero”  
Managua, Nicaragua

Re: CENTRAL AMERICA IDF Grant for Legal and Institutional Harmonization to Support Central America Strategy on Public Security Project  
IDF Grant No. TF(123 4

Dear Sir:

In response to the request for financial assistance made on behalf of Foro de Presidentes y Presidentas de Poderes Legislativos de Centro América y la Cuenca del Caribe represented by its Technical Secretariat (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”) proposes to extend to the Recipient, for the benefit of Belize, the Republic of Costa Rica, the Dominican Republic, the Republic of El Salvador, the Republic of Guatemala, the Republic of Honduras, the Republic of Nicaragua and the Republic of Panama (“Member Countries”), a grant from the World Bank’s Institutional Development Fund (“IDF”) in an amount not to exceed three hundred ninety nine thousand three hundred fifty United States Dollars (US $399,350) (“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”).

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.

This Agreement shall become effective upon receipt by the World Bank of a countersigned copy of this Agreement. Upon compliance with the above mentioned condition, the World Bank will send a notice of effectiveness to the Recipient, provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank,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.

January 10, 2013
Even if this Agreement has become effective pursuant to the previous paragraph, it shall terminate if it has not been implemented or has not disbursed any funds by April 30, 2013, 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.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

C. Felipe Jaramillo
Director
Central America
Latin America and the Caribbean Region

AGREED:

FORO DE PRESIDENTES Y PRESIDENTAS DE PODERES LEGISLATIVOS DE CENTRO AMÉRICA Y LA CHINA DEL CARIBE

By:

Authorized Representative

Name: Santiago Rivas Leclair

Title: Secretary Executive - CENAPREL

Date: 01/25/2013

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
Article I

Star dard 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, and the following additional terms have the following meanings:

   (a) "FOPREL" means *Foro de Presidentes y Presidentas de Poderes Legislativos de Centro América y la Cuenca del Caribe*, the Forum of Legislative Presidents of Central America and the Caribbean Basin.

   (b) "FOPREL’s Technical Secretariat" means the technical secretariat of FOPREL, established and operating in Nicaragua, pursuant to the *Acta Constitutiva del Foro de Presidentes y Presidentas de Poderes Legislativos de Centro América y la Cuenca del Caribe*, published in the Recipient’s Official Gazette No. 201 of October 25, 2010.

   (c) "International Standards" means any internationally recognized legal standard in the area of combating organized crime.

   (d) "Memorandum of Understanding" means the understanding satisfactory to the World Bank, to be entered into between the Congress of each Member Country and the Recipient providing for, *inter alia*, the responsibilities of the respective parties in the implementation of the Project.

   (e) "Organized Crime Legal Framework" means any national or regional legal framework, including but not limited to laws and regulations, consistent with International Standards and acceptable to the Bank, regulating illegal acts committed by a criminal organization or group in connection with any of the following activities: money laundering, asset smuggling, human trafficking, drug smuggling and prostitution.

   (f) "Parliamentary Sub-Committees" means subdivisions of the Member Countries’ parliaments made up of one or more individuals to whom authority has been delegated by the respective Parliaments of the Member Countries to perform a particular function or duty, such as the task of investigating a certain issue and reporting their observations and recommendations to the legislature.

   (g) "Regional Harmonization Framework" means the Member Countries’ regional Organized Crime Legal Framework to be developed under Part I (a) (i) of the Project.
Article II
Project Execution

2.01 Project Objectives and Description. The objective of the Project is to strengthen the institutional capacity of the Recipient’s technical secretariat to facilitate coordination and harmonization of the Member Countries’ Organized Crime Legal Frameworks. The Project consists of the following parts:

Part I: Member Country Reports

(a) (i) Provision of technical assistance to FOPREL’s members to: (A) identify the national regulations to be included in the Regional Harmonization Framework; and (B) identify gaps in institutional and regulatory Organized Crime Legal Frameworks of each Member Country impeding the harmonization process; and (ii) elaboration of a country-level roadmap and action plan leading to the adoption of a draft Regional Harmonization Framework.

(b) Provision of technical assistance and carrying out of a workshop for FOPREL’s members to: (i) identify the strengths and weaknesses of each Member Country’s Organized Crime Legal Framework and present national action plans for each of said Member Countries; and (ii) elaborate a regional action plan to be submitted for approval by each Member Country and aimed at harmonizing, based on a regional common framework, each of said Member Countries’ Organized Crime Legal Framework.

Part II: National Validation Process of Regional Legal and Institutional Framework

(a) Provision of technical assistance to the Parliamentary Sub-Committees for the drafting of a model Organized Crime Legal Framework, based on the regional action plan referred to in Part I (b)(ii) of the Project.

(b) Carrying out of dissemination activities for the drafted legislation proposals with relevant stakeholders at the country level to provide a forum for discussion of the implication of the harmonization process of the Member Countries’ Organized Crime Legal Frameworks.

(c) Preparation of a report including lessons learned in the harmonization process for each Member Country.

Part III: Audits

Carrying out of audits of the activities financed by the Grant.

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”); and (c) this Article II.
2.03 Institutional and Other Arrangements. (a) For purposes of carrying out the Project, the Recipient shall maintain at all times during Project implementation professional staff in adequate numbers and with terms of reference, qualifications, and functions acceptable to the World Bank, to perform all functions related to the Project, including, inter alia, procurement and financial management.

(b) Notwithstanding the provision of paragraph (a) above, the Recipient shall enter into a memorandum of understanding (Memorandum of Understanding) with the Congress of each Member Country under terms and conditions acceptable to the World Bank, therein setting forth the roles and responsibilities of each Member Country in the implementation of the Project.

2.04 Project Monitoring, Reporting, and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank's request, 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 such period as shall be indicated in the World Bank's request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The Recipient shall, upon the World Bank's request, 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 five 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 one month and a half after the end of each calendar quarter, covering the quarter, 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.

2.06 Procurement

(a) General. All goods, non-consulting services and consultants' 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:

(i) Section 1 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"), 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 (“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. Goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping.

(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 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; and (G) Single-source procedures for the Selection of Individual Consultants.

(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) 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 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>
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<tbody>
<tr>
<td>(1) Consultants' Services</td>
<td>300,850</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>35,500</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training and Workshop</td>
<td>63,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>399,350</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the term “Training and Workshop” means: (a) reasonable travel, room, board and *per item* expenditures incurred by trainees and/or participants (except consultants and trainers) in connection with their participation in training and/or workshops; (b) training or workshop facility rentals; and (c) training and workshop material preparation, acquisition, reproduction, printing and distribution expenditures.

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 three years after the date of countersignature of this Agreement.

**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 Executive Secretary.

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

*Foro de Presidentes y Presidentas de Poderes*
*Legislativos de Centro Americana y la Cuenca del Caribe*
*Costado sur de la Vicepresidencia de la República*
*Antigua prisión “El Hornigüero”*
*Managua, Nicaragua*

Telex: Facsimile:
505 22222 047 : 05-188-21746
4.03. *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

<table>
<thead>
<tr>
<th>Cable:</th>
<th>Telex:</th>
<th>Facsimile:</th>
</tr>
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<tbody>
<tr>
<td>INTBAFRAD</td>
<td>246423 (MCI) or</td>
<td>1-202-477-6391</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>64 45 (MCI)</td>
<td></td>
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