

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
Washington, D.C. 20433
U.S.A.(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

October 12, 2010

CONFORMED COPY

Gregory Ch'oc
Executive Director
Sarstoon Temash Institute for Indigenous Management
6 Pampana Street
Punta Gorda Town, Toledo
Belize Central America

**Re: "2009 Global Development Marketplace on Climate Change Adaptation"
Development Marketplace Global Environmental Facility (GEF) TF096992
Q'eqchi Maya Community-Based Sustainable Forest Management Project**

Dear Mr. Ch'oc,

In response to the request for financial assistance made on behalf of Sarstoon Temash Institute for Indigenous Management ("Recipient"), I am pleased to inform you that the "2009 Global Development Marketplace on Climate Change Adaptation" (["DM2009" jury on November 13, 2009 selected your proposal for support from DM2009.](#))

I am writing on behalf of the International Bank for Reconstruction and Development and the International Development Association (collectively, "World Bank") to indicate its agreement as administrator of grant funds provided under the Global Environmental Facility (GEF) Trust Fund (TF050551) which supports DM2009, to extend to the Recipient a grant in an amount not to exceed two hundred thousand United States Dollars (U.S.\$200,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement, which includes the attached Annex ("Agreement"), to assist in the financing of the Q'eqchi Maya Community-Based Sustainable Forest Management 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. The Recipient further represents that it has obtained from Pact Foundation, Atlantic Center for the Environment (QLF), Oak Foundation and the Embassy of Finland letters of intent indicating their commitment to provide to the Recipient an amount equivalent to \$20,550 to assist in the financing of the Project.

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 as of the date of the countersignature

**International Bank for Reconstruction and Development
International Development Association**

Very truly yours,

By /s/ Yvonne M. Tsikata
Country Director
Latin America and the Caribbean

AGREED:
Sarstoon Temash Institute for Indigenous Management

By /s/ Gregory Ch'oc
Authorized Representative

Title: Executive Director

Date: October 18, 2010

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010

(2) Disbursement Letter dated October 12, 2010, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I

Standard Conditions; Definitions

1.01. *Standard Conditions.* The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 (“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 objective of the Project is to diminish the effects of poverty and environmental degradation afflicting rural indigenous Maya communities and habitats in the Toledo District by promoting community-based sustainable forest management enterprise, thereby maintaining forest cover which mitigates climate change, harbors biodiversity, and protects soil and watersheds.

The Project consists of the following activities:

- (a) Developing sustainable use of forest resources by the community, who will participate directly in management and efforts to preserve species depleted to near-extinction.
- (b) Conducting technical and administrative- training in forest inventory, commercial census, sustainable forest management, basic accounting and financial management.
- (c) Develop a sustainable forest management plan and annual operational plans following reduced-impact logging principles and sustainable forest management criteria.
- (d) Supporting the Industrialization of sustainable forest management timber by local CBSFME.
- (e) Maintaining economically viable log yields through reduced-impact logging, a key element of Sustainable Forest Management (SFM), improving the condition of regenerating forests and alleviating negative effects.
- (f) Supporting the development of sales contract templates and identification of local markets.

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 (“Anti-Corruption Guidelines”), with the modifications set forth in the Appendix to this Agreement, and (c) this Article II.

2.03. *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 of Project implementation 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 one month after the Closing Date.

(c) Thereafter, but in any event not later than eighteen months after the Closing Date, the Recipient shall exchange views with the World Bank in order to assess the results achieved under the Project, lessons learnt, and factors contributing to the eventual success or failure of the Project.

2.04. *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 as part of the Project Report not later than one month after the end of each Project Report period, covering that same period, in form and substance satisfactory to the World Bank.

(c) The Recipient shall, upon the World Bank’s request, have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the period indicated in the World Bank’s request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the date of the World Bank’s request.

2.05. *Procurement*

(a) General. All goods, works and 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 I (excluding paragraph 1.16) of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”), in the case of goods and works;

(ii) Sections I (excluding paragraph 1.24) and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section.

(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 the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Works

The following methods shall be used for procurement of goods and works for those contracts which the World Bank agrees meet the requirements set forth in the Procurement Guidelines for their use: (A) Shopping; or (B) Direct Contracting.

(d) Particular Methods of Procurement of Consultants’ Services

The following methods shall be used for the procurement of consultants’ services for those assignments which the World Bank agrees meet the requirements set forth in the Consultant Guidelines for their use:(A) Selection based on Consultants’ Qualifications; (B) Single-source Selection; (C) Selection of Individual Consultants; or (D) Sole Source Procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. All contracts shall be subject to Post Review by the World Bank.

2.06. ***Use of Name and Logo.*** The Recipient may not use the name and/or logo of the World Bank and the Development Marketplace or DM2009 program in any manner without first obtaining written permission from the World Bank.

2.07. ***Disclaimer.*** The boundaries, colors, denominations, and other information shown on the map in Attachment to this Annex describing the Project Area do not imply on the part of the World Bank any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

Article III Withdrawal of Grant Proceeds

3.01. ***Eligible Expenditures.*** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (i) Article III of the Standard Conditions, (ii) this Section, and (iii) 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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants’ services, travel and salaries for Project staff	\$180,080	100%
(2) Operating Costs	\$19,920	100%
TOTAL AMOUNT	\$200,000	

(b) For the purposes of this Section, the term : (i) “travel and salaries of Project staff” means travel and salaries for incumbent personnel of the Recipient working exclusively on the Project, but excluding salaries of consultants and civil servants; and (ii) “operating costs” means incremental expenditures directly related to the management and monitoring of the Project (but incurred only on account of the Project), including expenditures for rent of office space, utilities and internet.

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, 2012.

**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 Director.

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

Sarstoon Temash Institute for Indigenous Management
6 Pampana Street
Punta Gorda Town, Toledo
Belize Central America
00000

Telephone: + (501) - 722 - 0103
Facsimile: + (501) - 722 - 0124

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

World Bank
c/o "2009 Global Development Marketplace on Climate Change Adaptation"
Development Marketplace Portfolio Manager (PM)
1818 H Street, N.W.
Washington, D.C. 20433

United States of America

Telephone: +1 202 458 8393
Facsimile: +1 202 522 2593

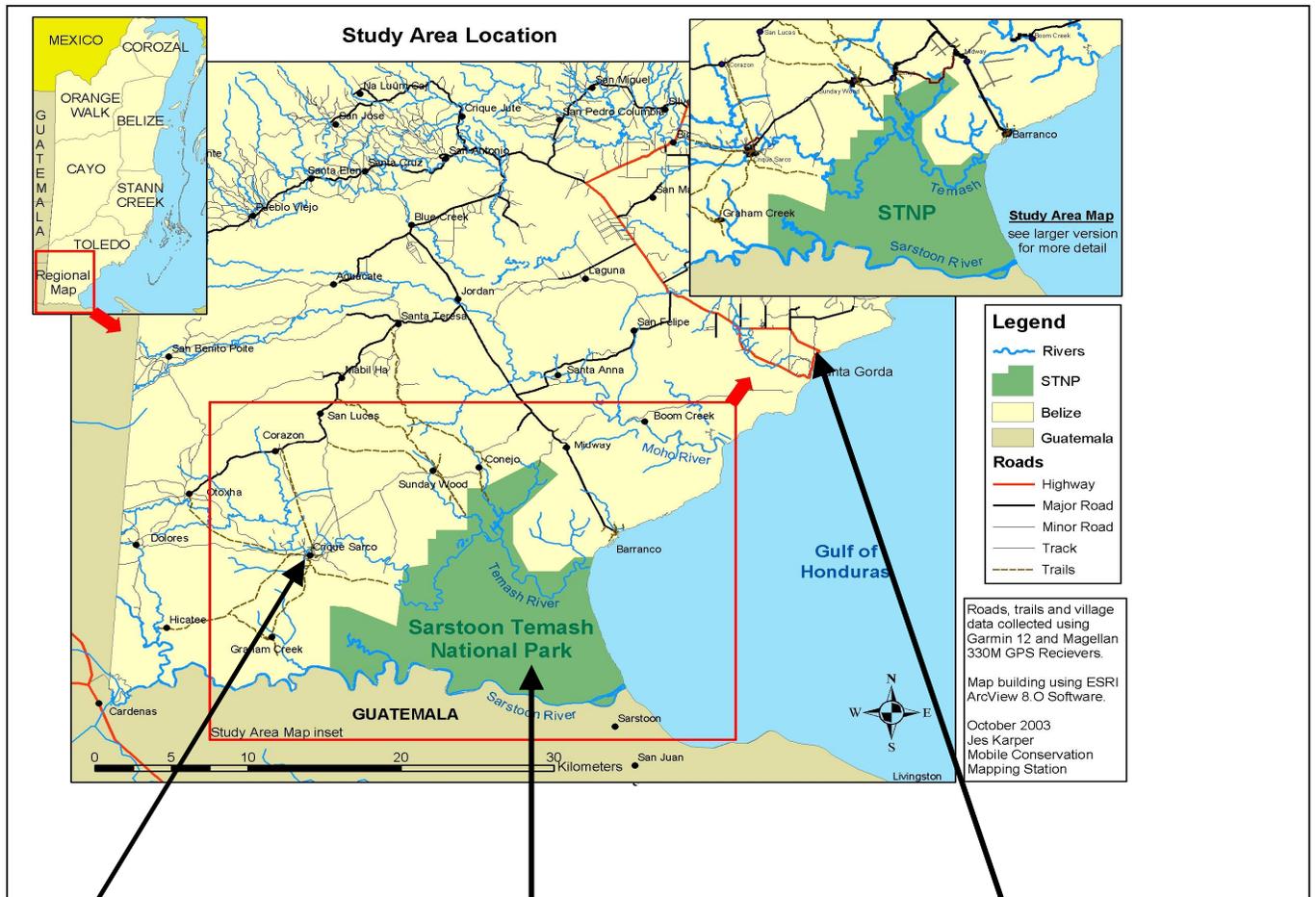
With a copy to:

"2009 Global Development Marketplace on Climate Change Adaptation" Development Marketplace Project [Supervisor \(PS\)](#):

Enos E. Esikuri
Facsimile: (202) 522 3540

ATTACHMENT

The Project Area referred to in Section 2.07 of the Annex to this Agreement is as set forth in shown in the following map:



The Community of Crique Sarco where the Development Marketplace Funded Project 1401 will be implemented

Community-managed Sarstoon Temash Conservation Project
GEF/World Bank Grant TF 051596 implemented 2002-2005
US\$ 826,000.

Water, Sanitation and Flood Protection(R) Municipal development- Project P111928
US\$15.0 (IBRD). Will start 2010

APPENDIX
Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

1. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”