Mr. Fernando Tenjo Galarza  
Director General  
Center for Latin American Monetary Studies  
Durango 54, Col. Roma  
06700 Mexico D.F.  
Mexico

Re: Grant to the Center for Latin American Monetary Studies (CEMLA)  
Grant No. TF016793  
Debt Management Facility Phase II

Dear Mr. Galarza:

In response to the request for financial assistance made on behalf of the Center for Latin American Monetary Studies (CEMLA) ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association (collectively, "World Bank"), acting as administrators of grant funds provided by the various donors ("Donors") under the Debt Management Facility Phase II (DMF II) (TF No. 072132), propose to extend to the Recipient for the benefit of Eligible Member Countries (as defined below) a grant in an amount not to exceed one hundred forty two thousand six hundred thirty eight United States Dollars (USD 142,638) ("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"). Eligible Member Countries are the countries listed in the following website:


This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. 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 Donors 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. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Marcio Giugale
Senior Director
Macroeconomic and Fiscal Management Global Practice

AGREED:

CENTER FOR LATIN AMERICAN MONETARY STUDIES

By: Fernando Tenjo Galan
Director General

Date: 16-11-2014

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(3) “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
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") 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 strengthen the capacity of Eligible Member Countries to manage debts effectively, so as to enable governments to finance their operation prudently with appropriate cost-risk mix to contribute to macro-economic stability and ensure sustainable debt levels over the long term.

The Grant will support missions and related outputs under the following components of the DMF II: (i) Application of the Debt Management Performance Assessment ("DeMPA") tool; (ii) Design of Debt Management Reform Plans; (iii) Assistance in Medium-Term Debt Management Strategy ("MTDS") Development; (iv) Strengthening Capacity in the Application of the Joint Bank-IMF Debt Sustainability Framework ("DSF"); (v) Domestic Debt Market Development; (vi) Subnational Debt Management; (vii) The Debt Managers’ Network program ("DMN"); (viii) Knowledge Products; and (ix) Organization of Regional Training Events.

Specifically, the activities to be carried out by the Recipient in support of the DMF II components listed above include:

(a) Providing country background information on the debt management situation in Eligible Member Countries before specific missions, including information on fiscal policy, monetary policy and legal framework related to debt management, as well as related technical assistance programs if available.

(b) Drafting summaries of country strengths and weaknesses with respect to debt management, based on the above identified background information before particular missions.
Participating in pre-mission activities, which will entail data aggregation, teaching useful functions and describing the cost-risk of the existing debt portfolio for MTDS missions and trainings.

Preparing sections of the write-up of the report during specific missions.

Providing inputs on appropriate sections for wrap-up presentations during specific missions.

Incorporating peer review comments in the report and providing additional information after missions.

Participating, organizing and coordinating training events related to the DMF’s work program.

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. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Eligible Member Countries’ territory for purposes related to the Project.

2.04. 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 year, and shall be furnished to the World Bank not later than three months 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.

2.05. 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 as part of the Project Report.

(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, funded by DMF 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.** All goods and services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in 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 the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 (“Consultant Guidelines”).

2.07. Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.
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 consisting of the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (in USD)</th>
<th>Percentage of Expenditure to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Training/Workshops/Seminars</td>
<td>129,671</td>
<td>100%</td>
</tr>
<tr>
<td>2. Operating Costs</td>
<td>12,967</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>142,638</td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

For the purposes of this paragraph, the terms:

(i) Training/Workshops/Seminars” means the reasonable costs, as shall have been approved by the World Bank, for mission, training and workshops conducted under the Project, including payments to facilitators, presenters, speakers and their travel costs for each mission or training session; tuition, travel and subsistence costs for training and workshop participants, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to missions/training courses and workshop preparation and implementation (but excluding goods and consultants’ services); and

(ii) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of communication and insurance costs, banking charges, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project technical staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consultants’ services).

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 June 30, 2017.
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 Director General.

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

Center for Latin American Monetary Studies  
Address: Durango 54, Col. Roma  
Tel. No. +5255 5061 6641  
Fax No. +5255061 6695  
Email: fernando.tenjo@cemla.org

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/  
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America  
MSN MC 2-200  
Tel. No. 1-202-458-7629  
Fax No. 1-202-522-3740  
Email: aprasad@worldbank.org