Mr. Niels Crone  
Chief Operating Officer  
Conservation International Foundation  
2011 Crystal Drive, Suite 500  
Arlington, VA 22202  

SCF-FIP-DGM Grant No. TF017520  
Preparation Grant for the Global Component Project of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities ("DGM")

Dear Mr. Crone:

In response to the request for financial assistance made on behalf of Conservation International Foundation ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as an implementing entity of the Forest Investment Program ("FIP") under the Strategic Climate Fund ("SCF"), proposes to extend to the Recipient a grant in an amount not to exceed two hundred seventy-five thousand two hundred thirty United States Dollars (U.S.$275,230) ("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 activities described in the Annex ("Activities").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors ("Donors") to the FIP. 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 Global Component Project of the DGM ("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

By
Neeraj Prasad
Acting Director for Climate Change Policy and Finance
Climate Change Group

AGREEED:

CONSERVATION INTERNATIONAL FOUNDATION

By
Authorized Representative

Name: Niels Crone
Title: Chief Operating Officer
Date: 6/23/14

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(3) FIP Investment Criteria and Financing Modalities dated June 29, 2010
(4) Framework Operational Guidelines of the DGM, dated September 12, 2013
Article I
Standard Conditions; Definitions


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 Grant is to prepare the Project. The objective of the Project is to organize and facilitate knowledge exchange, learning and capacity building on REDD+ and climate change and to strengthen the networks and alliances of indigenous peoples and local communities’ organizations with a view to enhancing their participation in regional and global policy fora. The activities (“Activities”) for which the Grant is given consist of the following parts:

- **Part A:** Provision of technical support to establish the Global Steering Committee and provision of technical assistance to the National Steering Committees and National Executing Agencies for the initial development of the Country Components of the DGM, as agreed with the World Bank.

- **Part B:** Technical Assistance to the Transitional Committee of the DGM, including preparation of the transitional work plan for the first six (6) months of the Project and organizing a meeting of the Transitional Committee and facilitating the Committee’s input to the preparation of the Project.

- **Part C:** Development of an initial communication plan for the first six (6) months of the DGM and dissemination of information regarding the Country Components of the DGM and the Project, including the designing and launching a preliminary website to support initial communications needs for the DGM.

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 Activities 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”); (c) this Article II; (d) FIP Investment Criteria and Financing Modalities dated June 29, 2010; and (e) Framework Operational Guidelines of the DGM, dated September 12, 2013.

2.03. **Institutional and Other Arrangements.** Without limitation upon the provision of paragraph 2.02, the Recipient shall serve as a secretariat to the Transitional Committee till the
GSC is formally constituted. The GSC shall be the governing body of the Project and provide strategic oversight and monitor its implementation.

2.04. **Project Monitoring, Reporting and Evaluation.** 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 three 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 after the end of each calendar semester, covering the semester, 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. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. **Procurement**

(a) Consulting services required for the Activities 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: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 (“Consultant Guidelines”). This requirement does not apply to services provided by the Recipient’s employees.

(b) Procurement of goods and non-consulting services under Training, Workshops and Seminars and Operating Costs will follow administrative procedures of the Recipient.

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**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 100% of Eligible Expenditures consisting of consulting services, Training, Workshops and Seminars, and Operating Costs inclusive of Taxes.
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, except that withdrawals up to an aggregate amount not to exceed $55,046 equivalent may be made for payments made prior to this date but on or after April 1, 2014, for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2015.

**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 Chief Operating Officer.

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

Martine Culbertson  
Senior Director, Grants, Policy and Management  
mculbertson@conservation.org

Susan Stone  
Senior Director, Social Policy and Practice  
sstone@conservation.org

2011 Crystal Drive, Suite 500  
Arlington, VA 22202  
1.703.341.2400

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

Madhavi M. Pillai  
NRM Specialist, Climate Change Group  
International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: INTBAFRAD  
Telex: 248423 (MCI)  
Facsimile: 1-202-477-6391
APPENDIX
Definitions


2. “Country Components of the DGM” means the projects that will be implemented in each FIP pilot country that supports on the ground activities and capacity building for IPLCs.

3. “FIP Design Document” is the design document for the Forest Investment Program, approved by the Strategic Climate Fund Trust Fund Committee and issued on July 7, 2009, and as said design may be amended from time to time in accordance with its terms.

4. “FIP Investment Criteria and Financing Modalities” is the document issued on June 29, 2010 that details the investment criteria to guide the programming of FIP investments in selected pilots based on priority assessments and the financing modalities for those investments.

5. “Forest Investment Program” or “FIP” means the program established under the Strategic Climate Fund in accordance with the Governance Framework for the Strategic Climate Fund for the purposes set forth in the FIP Design Document.

6. “Framework Operational Guidelines of the DGM” is the document dated September 12, 2013, that provides an overview of the DGM, its objectives, principles, overarching grant eligibility criteria, grant-making procedures and grievance redress, and, the role of different institutions in the governance of the program. This document may be amended from time to time under the direction of the Global Steering Committee of the DGM.

7. The term “REDD (Reducing Deforestation and Forestation Degradation)” as used in this document has the meaning assigned to it in the FIP Design Document, as set forth in footnote 1 of that document: For purposes of the Forest Investment Program, REDD means REDD+ and should be construed to include activities consistent with paragraphs 1(b)(iii) of the Bali Action Plan and modified, as necessary, to be consistent the decisions taken by the Conference of the Parties to the UNFCCC (United Nations Framework Convention on Climate Change).

8. “Dedicated Grant Mechanism for Indigenous Peoples and Local Communities” or “DGM” means a mechanism created as a special window under the Forest Investment Program to provide grants to indigenous peoples and local communities in country pilots.

9. “Global Steering Committee” or “GSC” means a Committee that will oversee the Project and provide it strategic oversight and monitor implementation.

10. “Global Executing Agency of the DGM” means the agency that will implement the Global Component of the Dedicated Grant Mechanism for Indigenous People and Local Communities (DGM) Program.
11. "National Executing Agency" means an agency that will work as the secretariat and facilitate the National Steering Committee to discharge its responsibilities in for the program.

12. "National Steering Committee" means a committee that will oversee the DGM implementation in each FIP pilot country.

13. "Operating Costs" means the incremental costs directly related to the administration of the Project including management support costs of up to a maximum of 10% of the overall Grant Amount.


15. "Transitional Committee" means the committee of Indigenous Peoples and Local Communities serving as the reference group to the Global Learning and Knowledge Exchange Component of the DGM until the establishment of the Global Steering Committee of the DGM.

16. "Training, Workshops and Seminars" means the costs associated with training, workshops, meetings, seminars and dissemination carried out under the Project, including travel and subsistence costs for participants and Recipient employees, consulting services fees and travel, interpretation services, rental of facilities, preparation and production of materials, including web-based, Recipient employee salaries and other costs related to training, workshops and seminars.