Dr. Luis Solorzano Flores  
General Director  
Fundación Entornos AC  
Calle 3 No. 1 Col. Lomas de Atzingo C.P.  
62180  
Cuernavaca, Morelos  
México

Re: GRSF Grant No. TF014841  
Road Traffic Safety Research in Low and Middle Income Countries Project

Dear Dr. Luis Solorzano Flores:

In response to the request for financial assistance made on behalf of Fundación Entornos ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by the Commonwealth of Australia, acting through the Australian Agency for International Development, the FIA Foundation, and the United Kingdom and Northern Ireland, acting through the Department for International Development ("Donors") under the Global Road Safety Phase 2 Multi-Donor Trust Fund, proposes to extend to the Recipient a grant in an amount not to exceed three hundred fifty five thousand United States Dollars (U.S.$355,000) ("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").

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.

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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

Jose Luis Irigoyen
Director
Transport, Water, Information and Communication Technologies Department

AGREED:
FUNDACIÓN ENTORNOS AC

By

Authorized Representative

Name

Title

Date: 18/06/2013

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 develop evidence-based local expertise on road safety interventions through funding research grants in low and middle income countries. The Project consists of the following parts:

**Part A. Research Sub-grants**

Administration, provision, and supervision of sub-grants to selected eligible beneficiaries, according to eligibility criteria agreed with the World Bank, to carry out research activities on road traffic injury prevention in low and middle income countries.

**Part B. Workshop and Grant Review**

Guidance and peer-based advisory support to the grant beneficiaries, including the organization of a workshop prior to the start of research activities.

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 through the Road Traffic Injuries Research Network (RTIRN) Secretariat 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) The Recipient shall prepare and, not later than June 30, 2013, furnish to the World Bank for approval, terms of reference for the selection of grant proposals.

(b) The Recipient shall, not later than August 31, 2013, establish and maintain, throughout the period of Project implementation, a review board responsible for the selection of the grant proposals, technical monitoring of the progress of the grant projects and providing feedback to the beneficiaries. The review board shall consist of international experts on road safety and, in particular, focusing on research areas relevant to low and middle income countries, to be appointed by the Recipient, and shall include one (1) member from the Global Road Safety Facility.
Donor Visibility. 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.

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 (1) calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The Recipient shall prepare and, not later than July 31, 2014, submit to the World Bank an interim report consolidating individual reports from the beneficiaries on progress of research activities, completion of proposed tasks, challenges and mitigation measures.

(c) 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 March 31, 2015.

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 forty-five (45) days 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 (1) fiscal year of the Recipient. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Procurement

(a) General. All 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) 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

(ii) 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 1.25 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, III, IV and V of the Consultant Guidelines, as the case may be.

(c) 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, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Single Source Selection; and (B) Selection of Individual Consultants.

(d) 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 100% of Eligible Expenditures consisting of Research Sub-grants (ten (10) sub-grants each not exceeding $27,000), Workshops, and Operating Costs inclusive of Taxes; provided, however, that Workshops shall not exceed $55,000, and that Operating Costs shall not exceed $30,000.

For the purposes of this paragraph, the term: (i) “Research Sub-grants” mean individual research grants awarded on a competitive basis through a “call for proposal” process to execute one-year research studies in low and middle income countries (but excluding expenses for attending conferences/workshop or for tuition-related fees); (ii) “Workshops” means the reasonable costs, as shall have been approved by the World Bank, for workshops conducted under the Project, including travel and subsistence costs for workshop participants, costs associated with securing the services of workshop speakers, rental of workshop facilities, preparation and reproduction of workshop materials, and other costs directly related to workshop preparation and implementation (but excluding goods and consultants’ services); and (iii) “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 vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consultants’ services and salaries of the Recipient’s staff).

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 March 31, 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 the Coordinator, RTIRN Secretariat-Entornos Foundation.

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

Facsimile: 1-202-477-6391