



Office of the Director-General

Mr. Luis Alberto Moreno
President
Inter-American Development Bank
1300 New York Avenue, NW
Washington D.C. 20577
USA

June 15, 2009

Dear Sir,

Subject: Solid Waste Management Project in Belize

1. We refer to the Loan Agreement No. 1270P between Belize (the Borrower) and the OPEC Fund for International Development (OFID) dated June 10, 2009 (OFID Agreement), a copy of which is attached, as well as to the Loan Agreement between the Borrower and the Inter-American Development Bank (the Bank). Both loans are intended to assist the financing of the Solid Waste Management Project (the Project), as described in the said Agreements.

2. It has been agreed that there shall be close co-operation between the Bank and OFID on all matters relating to the execution, including supervision, of the said Project and other matters of common interest to the Bank and to OFID under the said Agreements in the manner set forth below:

A. Exchange of Information and Consultation

3. The Bank and OFID shall keep each other informed of the progress of the Project, including the findings of any inspection by their representatives, and shall exchange views from time to time with respect thereto.

4. OFID shall keep the Bank informed about the status of its loan agreement and shall notify the Bank when all conditions for the effectiveness of its loan agreement have been fulfilled.

5. The Bank and OFID shall promptly inform each other whenever one of them proposes:

- (i) to materially amend its loan agreement with the Borrower;
- (ii) to reallocate the proceeds of its own loan to various items of expenditure for the Project;
- (iii) to suspend or terminate in whole or in part the right of the Borrower to make withdrawals under its loan agreement; and
- (iv) to declare the indebtedness of the Borrower under its loan agreement to be due and payable in advance of the agreed maturity thereof.

6. In each such case, the Bank and OFID shall offer each other a reasonable opportunity, in advance of taking the proposed action, to exchange views with respect thereto. Each lender shall retain, however, its respective right of decision and action under its loan agreement with the Borrower, including the right to permit continued disbursement under its loan agreement in case of suspension or cancellation of the loan of the other party.

7. The Bank and OFID shall promptly inform each other of:

- (i) any event likely to substantially interfere with the carrying out of the Project;
- (ii) any cancellation or repayment in advance of maturity by the Borrower of any portion of the Bank's loan or OFID's loan.

B. OFID Loan Administration

8. OFID Agreement provides that certain responsibilities of OFID thereunder are entrusted to the Bank as loan administrator under such agreement. The Bank accepts to carry out such responsibilities on behalf of OFID, in accordance with its normal practice and standards, with the same degree of care as it uses in the administration of its own loans. In particular the Bank, as loan administrator on behalf of OFID, shall have the responsibility pursuant to the provisions of OFJD Agreement, for:

- (i) reviewing withdrawal applications submitted by the Borrower under OFID Agreement and, if the applications conform to the provisions of OFJD Agreement, advising OFJD Management to make the payments requested in the withdrawal applications;
- (ii) reviewing qualifications and proposed terms and conditions of employment of consultants, invitations to bid, bidding documents, specifications and other documents relating to the procurement of goods or services to be financed under OFJD Agreement, as well as proposals thereto, for such procurement and

informing the Borrower whether the qualifications or the terms and conditions or documents or awards referred to above conform to the requirements of OFID Agreement, for the purpose of financing thereunder;

- (iii) examining in the course of normal supervision of the Project, those elements of the Project which are being financed out of the proceeds of OFID's loan and periodically informing OFID Management of its findings. To the extent practical, the Bank shall inform OFID Management in advance of any proposed Project supervision mission by the Bank's staff and representatives of OFID Management may participate in such mission.

9. The Bank shall promptly inform OFID of any substantial disagreement with the Borrower on important issues relating to the applications for withdrawal of the proceeds of OFID loan or to the procurement of goods and services (including consultant's services) to be financed out of such proceeds and shall, before taking any action, as loan administrator on behalf of OFID, consult with OFID with respect to such issues with a view to reaching agreement on the action that would best serve the interests of both the Borrower and OFID.

10. OFID shall make appropriate arrangements to make the payments advised by the Bank on account of withdrawals from OFID's loan as and when advised by the Bank and promptly to inform the Bank and the Borrower of each payment so made and of the amount of OFID's loan withdrawn to meet such payment.

11. It is understood and agreed that, in special circumstances either the Bank or OFID may, by notice to the other party, and to the Borrower, terminate the Bank's responsibilities as loan administrator under OFID Agreement as from the date specified in such notice. Before giving such notice, OFID and the Bank shall consult with each other on the most practical and effective means of transferring such responsibilities to a new loan administrator under such agreement. Termination of such responsibilities shall not affect the arrangements for co-operation and exchange of information between the Bank and OFID as described in Part A of this letter.

12. Any relevant matter of which no provision is made in this letter shall be determined in a manner mutually acceptable to OFID and to the Bank, and, in this regard, each party shall give sympathetic consideration to any proposal advanced by the other party.

* * *

Please sign the two copies as evidence of the acceptance of its contents by the Inter-American Development Bank, retain a copy for your records and return one to OFID at your earliest convenience.

Sincerely yours,

/s/

Suleiman J. Al- Herbish

Director General

Accepted on behalf of the
Inter-American Development Bank by:

Signature: /s/

Name: Marguerite s.Berger

Title: Chief, VPC/GCM

Date: 6/30/2009