

December 7, 2005

Mr. Noel Jacobs  
Regional Director  
PCU - Barrier Reef System Project  
Coastal Resources Multiplex Building,  
Princess Margaret Drive  
Belize City, Belize

Dear Noel:

***MULT 27739: Mesoamerican Barrier Reef Systems  
Review of Audit Report for the Period Ending December 31, 2004***

We have reviewed the audit report prepared by Deloitte & Touche, covering the funds managed by the Project Coordinating Unit (PCU) on behalf of the Central American Commission for Environment and Development (CCAD) for the period from January 1, 2004 to December 31, 2004 under the Conservation and Sustainable Use of the Mesoamerican Barrier Reef System Project (MBRS). The audit report can be considered acceptable to the World Bank as it provides all the information required.

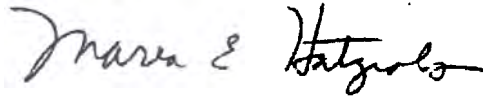
**Pertaining to the Auditors**

The auditors issued Unqualified (Clean) opinions on: (i) the MBRS Sources and Uses of Funds Statements for the years ending December 31, 2004 and 2003; (ii) Special Accounts Statements for the year ending December 31, 2004 and 2003; (iii) Statement of Expenditures for the years ending December 31, 2004 and 2003; and (iv) on Internal Control.

**Pertaining to the Audit**

There were no major issues identified in the audit report. The only pending issue relates to the failure to receive the interest income that was agreed on between the Project and the UNDP. Please advise us whether interest income has subsequently been received from the UNDP following the issuance of the audit report.

Sincerely,

A handwritten signature in black ink that reads "Marea Hatziolos". The signature is written in a cursive style with a long horizontal flourish at the end.

Marea Hatziolos  
Task Team Leader  
Environment Department  
Latin America and the Caribbean Region