

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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April 30, 2010

CONFORMED COPY

Carlos Daniel Vecco Giove
President of Council
Urku Estudios Amazonicos
Jr. Saposoa 181
Tarapoto, San Martín
Peru

Re: "2009 Global Development Marketplace on Climate Change
Adaptation" Development Marketplace
Global Environmental Facility (GEF) TF096715
"Indigenous Wisdom, Biomathematics: Amazonians tackle Climate Change"
Project

Dear Sir:

In response to the request for financial assistance made on behalf of Urku Estudios Amazonicos ("Recipient"), I am pleased to inform you that the "2009 Global Development Marketplace on Climate Change Adaptation" ("DM2009") jury on November 13, 2009 selected your proposal for support from DM2009.

I am writing on behalf of the International Bank for Reconstruction and Development and the International Development Association (collectively, "World Bank") to indicate its agreement as administrator of grant funds provided under the Global Environmental Facility (GEF) Trust Fund (TF050551) which supports DM2009, to extend to the Recipient a grant in an amount not to exceed One Hundred Ninety-Nine Thousand Eight Hundred Eighty-Eight United States Dollars (U.S.\$ 199,888) ("Grant") on the terms and conditions set forth or referred to in this letter agreement, which includes the attached Annex ("Agreement"), to assist in the financing of the "Indigenous Wisdom, Biomathematics: Amazonians tackle Climate Change" project described in the Annex ("Project").

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

p.p. Michel Kerf
Carlos Felipe Jaramillo
Country Director
Peru, Latin America and the Caribbean

AGREED:
Urku Estudios Amazonicos

By/s/ Carlos Daniel Vecco Giove
Authorized Representative

Name: Carlos Daniel Vecco Giove

Title: President of Council

Date: May 5, 2010

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008

(2) Disbursement Letter dated April 30, 2010, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 1, 2008 (“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 as follows:

Article II Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to validate a replicable model of adaptation to climatic change based on the participative application of tools to territory management and the strengthening of production systems in four kechwa-lamista communities in the Huallaga Valley of Peru.

The Project consists of the following activities:

1. Validate a plan and innovative tools for productive territory management within the context of climatic change.
2. Strengthen indigenous production systems through the demonstration of technical improvements to sustainable production and the development of commercial channels for plokunetia volubilis and cat’s claw crops.
3. Rescue and revalue adaptations and traditional knowledge associated with climatic change within the historical context of the Amazonian peoples, including developing proactive attitudes in the indigenous population towards facing climate change, organizational and economic challenges.

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 (“Anti-Corruption Guidelines”) and (c) this Article II.

2.03. **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 agreed with the World Bank. Each Project Report shall cover the period

of one calendar semester of Project implementation and shall be furnished to the World Bank not later than one month 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 one month after the Closing Date.

(c) Thereafter, but in any event not later than eighteen months after the Closing Date, the Recipient shall exchange views with the World Bank in order to assess the results achieved under the Project, lessons learnt, and factors contributing to the eventual success or failure of the Project.

2.04. *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 are prepared and furnished to the World Bank as part of the Project Report not later than one month after the end of each Project Report period, covering that same period, in form and substance satisfactory to the World Bank.

(c) The Recipient shall, upon the World Bank's request, 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 period indicated in the World Bank's request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the date of the World Bank's request.

2.05. *Procurement*

(a) General. All goods, works and 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) Section I (excluding paragraph 1.16) of the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the World Bank in May 2004 and revised in October 2006 ("Procurement Guidelines"), in the case of goods and works;

(ii) Sections I (excluding paragraph 1.24) and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the World Bank in May 2004 and revised in October 2006 ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section.

(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 the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Works

The following methods shall be used for procurement of goods and works for those contracts which the World Bank agrees meet the requirements set forth in the Procurement Guidelines for their use: (A) Shopping; or (B) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

The following methods shall be used for the procurement of consultants' services for those assignments which the World Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Selection based on Consultants' Qualifications; (B) Single-source Selection; (C) Selection of Individual Consultants; or (D) Sole Source Procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. All contracts shall be subject to Post Review by the World Bank.

2.06. ***Use of Name and Logo.*** The Recipient may not use the name and/or logo of the World Bank and the Development Marketplace or DM2009 program in any manner without first obtaining written permission from the World Bank.

Article III Withdrawal of Grant Proceeds

3.01. ***Eligible Expenditures.*** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (i) Article III of the Standard Conditions, (ii) this Section, and (iii) 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 as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants' services, travel and salaries for Project staff.	180,400	100%
(2) Operating Costs	19,488	100%
TOTAL AMOUNT	199,888	

(b) For the purposes of this Section, the terms: (a) "travel and salaries of Project staff" means travel and salaries for incumbent personnel of the Recipient working exclusively for the Project, but excluding salaries of consultants and civil servants; and (b) "operating costs" means incremental expenditures directly related to the management and monitoring of the Project (which expenditures would not have been incurred absent the Project), including expenditures for electricity, water and internet services, courier costs, photocopies, maintenance of equipment, maintenance of vehicles, and bank charges.

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 December 31, 2012.

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 President of Council.

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

Urku Estudios Amazonicos
Jr. Saposoa 181
Tarapoto, San Martín
Peru
Telephone: 51-42-527964
Facsimile: 51-42-527964

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

World Bank
c/o "2009 Global Development Marketplace on Climate Change Adaptation"
Development Marketplace Portfolio Manager (PM)
1818 H Street, N.W.
Washington, D.C. 20433

United States of America

Telephone: +1 202 458 8393
Facsimile: +1 202 676 0959

With a copy to:

"2009 Global Development Marketplace on Climate Change Adaptation" Development
Marketplace Project Supervisor (PS):

Maria Elizabeth Dasso
Mdasso@worldbank.org

Telephone: 5357+306