

April 30, 2010

**CONFORMED COPY**

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

**Re: “Indigenous Wisdom Biomathematics: Amazonians tackle Climate Change”  
“2009 Global Development Marketplace on Climate Change Adaptation” Development  
Marketplace  
Global Environmental Facility (GEF) TF096715  
Additional Instructions: Disbursement**

Dear Sir:

I refer to the Letter Agreement (“Agreement”) between the International Bank for Reconstruction and Development and the International Development Association (collectively, “World Bank”), acting as administrator of grant funds provided under the Global Environmental Facility (GEF) Trust Fund (TF050551) which supports the “2009 Global Development Marketplace on Climate Change Adaptation” Development Marketplace, and Urku Estudios Amazonicos (“Recipient”) for the above-referenced project. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant (TF096715) (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

**I. Disbursement Arrangements**

(i) *Disbursement Methods (section 2)*. The following Disbursement Methods may be used under the Grant:

- Advance
- Reimbursement

**(ii) Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is the Closing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.

## **II. Withdrawal of Grant Proceeds**

**(i) Authorized Signatures (subsection 3.1).** A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
1818 H Street, N.W., MSN 6-615  
Washington, D.C. 20433  
United States of America  
Attention: Karen Majli Vega-Coronel, WBIIN

**(ii) Applications (subsections 3.2 – 3.3).** Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated above.

**(iii) Advances (sections 5 and 6).**

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** United States Dollars
- **Financial Institution at which the Designated Account will be opened (subsection 5.5):** Banco Continental del Perú.
- **Ceiling (subsection 6.1):** \$139,921.6
- **Applications (subsection 3.3):** Applications for advances should be accompanied by the documents specified in the Appendix to this letter. The final application for an advance must be submitted no later than three (3) months before the Closing Date in the legal agreement.

## **III. Reporting on Use of Grant Proceeds**

**(i) Supporting Documentation (section 4).** Supporting documentation should be provided with each Application, as set out below:

- **For reporting eligible expenditures paid from the Designated Account:**
  - Interim Financial Report in the form attached (Attachment 3)
  - Unaudited Final Financial Report in the form attached (Attachment 4)

(ii) *Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3)*: the periodicity specified in the Agreement for furnishing interim unaudited financial reports.

#### **IV. Other Important Information**

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <http://clientconnection.worldbank.org>. Print copies are available upon request.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (<http://clientconnection.worldbank.org>). From this website you will be able to prepare Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the World Bank by email at <[clientconnection@worldbank.org](mailto:clientconnection@worldbank.org)>.

If you have any queries in relation to the above, please contact Karen Majli Vega-Coronel at [kvegacoronel@worldbank.org](mailto:kvegacoronel@worldbank.org) using the above reference.

Yours sincerely,

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

Attachments:

Appendix

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
3. Form of Interim Financial Report
4. Form of Unaudited Final Financial Report

## Appendix

### Indicative Withdrawal Schedule

Withdrawal of the proceeds of the Grant shall be made by the Recipient in accordance with the schedule set forth below, subject to receipt by the World Bank of the Application and Supporting Evidence (as defined in Section 3.04 (b) of the Standard Conditions) satisfactory to the World Bank. The Supporting Documentation shall include the Project Report or, in the case of the last period specified in the schedule below, the Completion Report and Unaudited Final Financial Report, indicating the achievement of the items specified below for the respective period so indicated.

Period	End of Reporting Period	Expected Activities/Output
0	Effectiveness of the Agreement	<ol style="list-style-type: none"> <li>1. Milestones and withdrawal schedule discussed and agreed with the DM2009 Development Marketplace Portfolio Manager (PM) and the Project Supervisor (PS) as specified in the Grant Agreement.</li> <li>2. Outcome Indicators agreed upon with PS and PM:               <ol style="list-style-type: none"> <li>a. Validate a plan and innovative tools for productive territory management within the context of climatic change.</li> <li>b. Strengthen indigenous production systems through demonstration of technical improvements to the sustainable production and development of commercial channels for plokunetia volubilis and cat's claw crops</li> <li>c. 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.</li> </ol> </li> <li>3. Completed budget template for Period 1 activities.</li> <li>4. All legal documents signed by the Project Team and the World Bank Country Director/Manager</li> </ol>
<b>Forecast for advance payment to carry out activities for Periods 1 and 2: \$ 99,944 (50% of Total)</b>		

1&2	12 months after effectiveness	<p>1. <i>Project-Specific Output Indicators:</i></p> <ul style="list-style-type: none"> <li>a. A distribution map of resources “sensitive” to climatic change.</li> <li>b. A commercial program and product development support.</li> <li>c. A cooperation agreement among Urku-communities and Regional Government.</li> <li>d. 12 Leaders trained and 200 people of 4 communities, improving their skills to manage community development.</li> <li>e. 750 people from 4 indigenous communities involved directly on the Project. Out the Project scope: approximately 1000 people knowing about the Project.</li> </ul> <p>2. <i>Planning and evaluation products:</i> An Operational Plan, a Report of Baseline, two Technical &amp; Financial reports.</p> <p><b>End of activities covering the first and second reporting periods</b></p>
<b>Forecast for advance payment to carry out activities for Period 2: \$59,966 (30% of Total)</b>		
3	18 months after effectiveness	<p>1. <i>Project-Specific Output Indicators:</i></p> <ul style="list-style-type: none"> <li>a. A GIS base of ecological-economic micro-zoning and a methodological protocol.</li> <li>b. Three communities have got their own office with basic equipment.</li> <li>c. Two demonstration Plots.</li> <li>d. A publication about the ancestral knowledge associated with climate change cycles in the Huallaga Central basin.</li> <li>e. 1200 people from 4 indigenous communities involved directly on the Project. Out the Project scope: approximately 3000 people knowing about the Project.</li> </ul> <p>2. <i>Project Supervisor’s site visit to review progress on all outputs outlined above.</i></p> <p>3. <i>Planning and evaluation products:</i> A Technical &amp; Financial report.</p> <p><b>End of activities covering this reporting period</b></p>
<b>Forecast for advance payment to carry out activities for Period 3: \$39,978 (20% of Total)</b>		

4		<p><i>1. Project-Specific Output Indicators:</i></p> <ul style="list-style-type: none"> <li>a. An ongoing Territory Use Plan.</li> <li>b. A Bioclimatic Monitoring System based on mathematical simulation models (software).</li> <li>c. 1500 people from 4 indigenous communities involved directly on the Project. Out the Project scope: approximately 5000 people knowing about the Project.</li> </ul> <p><i>2. Submit sustainability plan for after completion of Grant activities.</i></p> <p><i>3. Submit Project evaluation plan.</i></p> <p><i>4. Planning and evaluation products:</i> A Report of Line-out, a Technical &amp; Financial report.</p>
	<b>24 months after effectiveness</b>	<b>End of activities covering this reporting period</b>
	<b>December 31, 2012</b>	Completion of all Project activities.
	<b>January 31, 2013</b>	Submit Completion Report with Unaudited Final Financial Report to Project Manager and Project Supervisor.
<b>Total Grant Amount: \$ 199,888</b>		

**Attachment 2: Form for Authorized Signatures**

[Letterhead]  
[Recipient's Name]  
[Street address]  
[City] [Country]

[DATE]

The World Bank  
1818 H Street, N.W. MSN x-xxx  
Washington, D.C. 20433  
United States of America

Attention: [Country Director's Name, Title, Country(ies)]

**Re: [Project Title]**  
**[Name of the specific competition]Development Marketplace Grant No. \_\_\_\_\_**  
**<sup>1</sup>[Name of Trust Fund][TF XXXX]**

Dear [Country Director]:

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development and the International Development Association (collectively, "World Bank"), acting as administrator of grant funds provided under the [Name of Trust Fund] Trust Fund which supports the [Name of the specific competition]Development Marketplace , and [name of recipient] (the "Recipient") providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [one<sup>1</sup>] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under this Grant:

[Name], [position]      Specimen Signature: \_\_\_\_\_

[Name], [position]      Specimen Signature: \_\_\_\_\_

[Name], [position]      Specimen Signature: \_\_\_\_\_

Yours truly,

Signature: \_\_\_\_\_

[Name]  
[Position]<sup>2</sup>  
[Organization]

<sup>1</sup> Instruction to the recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.

<sup>1</sup> Delete the reference to a TF number in the case of grants funded from BB.

<sup>2</sup> The letter should be signed by the Recipient's Representative specified in the Grant Agreement or another person authorized by him/her in writing.

**Attachment 3: Form of Interim Financial Report**

**Project Expenses for Grant-funded Activities in this Reporting Period**

<b>Current Reporting Period</b>						
	<b>Received</b>	<b>Planned (as recorded in previous progress report)</b>	<b>Difference (Received - Planned)</b>		<b>Expected to Receive for next Reporting Period</b>	
<b>Sources of Funds</b>						
<b>1. Grant</b>			0.00			
<b>2. Other Funds:</b>						
(a) Revenue generated from project			0.00			
(b) Other Donors			0.00			
<b>Total Project Funds</b>	0.00	0.00	0.00		0.00	
	<b>Expensed</b>	<b>Committed as of X/X/200X date</b>	<b>Budgeted (as recorded in previous progress report)</b>	<b>Difference = (Expensed + Commitment - Budgeted)</b>		<b>Budget for next Reporting Period (*)</b>
<b>Budget and Expenses</b>						
<b>I. Use of Grant Funds</b>						
<b>A. Works</b>				0.00		
<b>B. Goods (Materials and Equipment)</b>				0.00		
<b>C. Services:</b>						
(1) Staff salaries				0.00		
(2) Consultant fees				0.00		
(3) Travel				0.00		
<b>D. Operating Costs</b>				0.00		
<b>E. Other (please specify)</b>				0.00		
<b>Subtotal: Use of Grant Funds</b>	0.00	0.00	0.00	0.00		0.00
<b>II. Use of Other Funds (revenue generated + other donors)</b>						
<b>Total Use of Funds</b>	0.00	0.00	0.00	0.00		0.00
<b>Account Balance: Project Funds Received (total from all sources) minus Total Use of Funds (expensed and committed)</b>						
	<b>0.00</b>					

(\*) Note: Total budget for the next reporting period should be equal to the sum of the account balance from the current reporting period plus the expected receipt of funds



## Attachment 4: Form of Unaudited Final Financial Report

### *Project Expenses for DM2009-funded Activities for Project Implementation Period*

<b>Project Budget Summary</b>			
	<b>First Grant Disbursement</b>	<b>Second Grant Disbursement</b>	<b>Third Grant Disbursement</b>
<b>Sources of Funds</b>			
<b>1. Grant</b>			
<b>2. Other Funds:</b>			
(a) Revenue generated from project			
(b) Other Donors			
<b>Total Project Funds</b>	0.00	0.00	0.00
<b>Budget for Grant Funds</b>			
<b>I. Use of Grant Funds</b>			
<b>A. Works</b>			
Adequacy of the monitoring station and service center bioclimatic	\$4,00		
Parts laboratory (Urku)	\$1,00		
<b>B. Goods (Materials and Equipment)</b>			
Vantage Plus digital weather station and security	\$3,915		
Original software and licenses, satelit pictures	\$500		
AG-200 Motorcycle	\$5,175		
Van	\$3,036		
GPS Garmin Equipments	\$1,000		
Electric generator	\$500		
Multimedia Projector	\$2,000		
Lap Top	\$1,200		
Computer with UPS system and printers	\$945		
Indigenous equipment (manguare´s and others)	\$600		
Consumer goods: laboratory goods and inputs	\$700		
Consumer goods: field materials	\$720		
Consumer goods: field training goods	\$900		
Consumer goods: stationery	\$250		
Water pump	\$639		
Refreshments for workshops and colloquia	\$1,350		
Fuel and lubricants	\$1,200		
<b>C. Services:</b>			
(1) Staff salaries	\$31,200		
(2) Consultant fees	\$27,195		
(3) Travel	\$9,250		
<b>D. Operating Costs</b>			
Equipment maintenance	\$500		
Vehicle Maintenance	\$500		
Local services (electricity, water, internet)	\$1,200		

**Attachment 4: Form of Unaudited Final Financial Report**

Courier costs	\$180		
Photocopies	\$150		
Bank charges	\$139		
<b>E. Other (please specify)</b>			
<b>Subtotal: Use of Grant Funds</b>	<b>\$99,944</b>	0.00	0.00
<b>II. Use of Other Funds (revenue generated + other donors)</b>			
<b>Total Use of Funds</b>	0.00	0.00	0.00

*NOTE (from Grant Recipient): This first disbursement will cover 50% of the grant, but it will not cover total budget by the year 1, so the second disbursement will be requested the 10th month after start the project.*