

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
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November 2, 2010

CONFORMED COPY

Mr. Luiz Humberto Gomez Cervero
Executive Director
Fundación Amigos de la Naturaleza
Km 7 ½ Carretera antigua a Cochabamba
Santa Cruz de la Sierra,
Bolivia
2241

Re: "2009 Global Development Marketplace on Climate Change Adaptation"
Development Marketplace
[Development Marketplace 2009 Multi Donor Trust Fund](#) (MDTF) TF096918
"Reducing Risk for Biodiversity Conservation Using Adaptative Fire Management"

Dear Mr. Cervero:

In response to the request for financial assistance made on behalf of *Fundación Amigos de la Naturaleza* ("FAN" or the "Recipient"), for the benefit of the Plurinational State of Bolivia ("Member Country"), I am pleased to inform you that the "2009 Global Development Marketplace on Climate Change Adaptation" [Development Marketplace \("DM2009"\) 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 Development Marketplace 2009 [Multi Donor Trust Fund](#) (MDTF) which supports DM2009, to extend to the Recipient a grant in an amount not to exceed one hundred ninety eight thousand forty six United States Dollars (U.S.\$198,046) ("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 "Reducing Risk for Biodiversity Conservation Using Adaptative Fire Management" 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.

The Recipient further represents that it has obtained a letter dated June 23, 2010 from *Reino de los Países Bajos* indicating its commitment to provide to the Recipient an amount equivalent to one hundred fifty-five thousand nine hundred five United States Dollars (U.S. \$155,905) to assist in the financing of additional activities related to the Project.

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 /s/ C. Felipe Jaramillo
Country Director
Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

AGREED:

FUNDACIÓN AMIGOS DE LA NATURALEZA

By: /s/ Luiz Humberto Gomez Cervero
Authorized Representative

Title: Executive Director

Date: November 4, 2010

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010.
- (2) Disbursement Letter of even date herewith, 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 31, 2010 (“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.

(a) “Adaptation Field Schools” means a training approach consisting of a teaching-learning process, through participatory and inclusive methodologies. This approach aims to generate local capacities to identify, plan and implement adaptation measures to address climate change in rural communities. For the purpose of the Project, the adaptation field school approach will focus on promoting the improvement of burning practices and raising community awareness on climate change issues.

(b) “Adaptive Management Strategy” means the strategy aim to maintain the effectiveness of protected areas management under changing climatic conditions, accommodating management practices to anticipate future risks caused by climate change.

(c) “Departmental Autonomous Governments” means *Gobiernos Autónomos Departamentales*, the local representations (*Departamentos*) of the Member Country’s executive branch, an entity with legal personality established pursuant to the Member Country’s Law No. 031 (Ley Marco de Autonomías), dated July 19, 2010 and published in the Member Country’s Official Gazette on the same date, as amended to the date to this Agreement.

(d) “FAN” means *Fundación Amigos de la Naturaleza*, a non-governmental organization, created and operating pursuant to Supreme Resolution No. 207020 of the Member Country which awarded its legal capacity on January 17, 1990.

(e) “Indigenous Organizations” means the *Chiquitano* and *Ayoreode* indigenous organizations.

(f) “Model of Adaptive Fire Management for Biodiversity Conservation” means the model developed under Activity 2.01 (f) aimed to promote the improvement of burning practices around protected areas, which will be evaluated and adjusted, from lessons learned on the implementation process.

(g) “Project Area” means the area located within the municipalities of: Robore, San Jose de Chiquitos and Carmen Rivero Torres.

(h) “Provinces” means the administrative division of the Departmental Autonomous Governments.

- (i) “Selected Promoter” means a member of the Target Groups selected to obtain training and coordinate burning activities, selected based on criteria, acceptable to the Bank.
- (j) “Selected Protected Areas” means the protected areas in the Member Country’s dry forest in the *Departamento* of Santa Cruz consisting of: the *San Matías* Natural Area, the *Tucavaca* Reserve, the *Chiquitano* Block (comprised of the *Serranías Chiquitanas* Block, the Conception Lagoon and *Santa Cruz la Vieja* Historic National Park).
- (k) “Targeted Groups” means the groups within the Project Area, including: (i) local communities; (ii) Indigenous Organizations (as hereinafter defined); and (iii) cattle ranching organizations, selected based on criteria, acceptable to the Bank, to participate in the implementation of the Project.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to reduce current fire frequencies, forest fire impacts and future fire-related risks in the Project Area by: (i) promoting improved burning practices in grasslands and croplands; (ii) developing and implementing a pilot GIS web-based fire risk forecast system (the “Fire Risk Forecast System”) indicating favorable weather conditions to reduce the risk of fire perpetuation across the grassland/forest interface; and (iii) coordinating the carry out of burning activities under favorable weather conditions.

The Project consists of the following activities:

- (a) Development of a Fire Risk Forecast System, including, *inter alia*: (i) the carrying out of a biophysical feasibility analysis of existing fire risk models; (ii) the evaluation of advantages and disadvantages of the existing fire risk models; (iii) the carrying out of consultations with Targeted Groups to identify current burning practices; and (iv) the carrying out of a socioeconomic assessment of existing burning practices, productive systems and social organization of the Targeted Groups.
- (b) Generation of daily fire risk forecasts for the Project Area by gathering and analyzing relevant information including, *inter alia*: (i) biophysical and socioeconomic data; (ii) weather observations; and (iii) weather forecasts.
- (c) Implementation of a communication strategy, including, *inter alia*: (i) the assessment of the means of communication most commonly used by the Targeted Groups; (ii) the preparation of training manuals to disseminate good practices via radio and/or television; (iii) the carrying out of workshops to promote coordination of burning activities with local stakeholders (landowners, cattle ranchers, farmers, indigenous and forest dweller communities); and (iv) the establishment of an Adaptation Field School to raise awareness on climate change issues among the Targeted Groups in the Project Area.
- (d) Training of a Selected Promoter on the use of the Fire Risk Forecast System developed under Activity 2.01 (a), to coordinate burning activities carried out by Targeted Groups in the Project Area.
- (e) Strengthening the capacity of selected institutions currently carrying out burning management activities in the Project Area through the development of a communication network which ensures regular exchange of information between stakeholders through e-mails, radio and TV announcements, workshops and meetings and other means of communication identified in the

communication strategy to: (i) coordinate existing efforts related to burning management activities in order to avoid duplication of efforts; (ii) provide land owners in the Project Area with fire management information and daily fire risk forecasts; and (iii) serve as an early fire risks warning system in order to coordinate burning activities.

(f) Development, in close coordination with the Management Committee, of: (i) an Adaptive Management Strategy to anticipate risks derived as a consequence of climate change; and (ii) a Model of Adaptive Fire Management for Biodiversity Conservation.

(g) Management and supervision, in close coordination with the Regional Advisory Committee, of the implementation of the Fire Risk Forecast System in the Project Area.

(h) Carrying out of at least four workshops during each year of Project implementation aiming at evaluating and adjusting the Fire Risk Forecast System, with the participation, *inter alia*, of: (i) the Regional Advisory Committee; (ii) the local adaptation committee; (iii) the management committee of protected areas; and (iv) local government authorities.

(i) Preparation of a fact sheet documenting the results obtained during the implementation of the Project.

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”), with the modifications set forth in Section II of the Appendix to this Agreement; and (c) this Article II.

2.03. ***Institutional and other arrangements.*** (a) The Recipient shall establish and thereafter maintain, until the completion of the Project:

(i) a regional advisory committee (the “Regional Advisory Committee”), comprised of experts in agriculture, forest management and biodiversity conservation with functions which shall be acceptable to the Bank, including *inter alia*: guidance and support in the supervision of the fire risk forecast system operation, support in the evaluation and adjustment of the system and support in the design of the adaptive fire management strategy.

(ii) a local adaptation committee (the “Local Adaptation Committee”), comprised of local stakeholders, such as local government authorities, representatives from cattle ranching associations and indigenous organizations, landowners and other local inhabitants with functions which shall be acceptable to the Bank, including *inter alia*, supporting the implementation of the forecast system and promoting the formulation of a local adaptation plan to face climate change.

(b) The Recipient shall enter into a Collaboration Agreement with each of the municipalities at the Project site, satisfactory to the Bank, whereby, *inter alia*:

(i) the municipalities shall agree, *inter alia*, to collaborate and cooperate with the Recipient to allow the Recipient to successfully carry out the Project activities related to the municipalities.

(ii) the Recipient shall exercise its rights and carry out its obligations under the Collaboration Agreement in such manner as to protect the interest of the Recipient and the World

Bank and to accomplish the purpose of this Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive or fail to enforce the Collaboration Agreement or any portion thereof.

(iii) in case of conflict between the terms of the Collaboration Agreement and those of this Agreement, the terms of this Agreement shall prevail.

(iv) the Recipient shall not transfer funds to the Municipalities under the Cooperation Agreement.

(c) The Recipient shall enter into an agreement (the "Subsidiary Agreement") with the Departmental Autonomous Government of Santa Cruz, through its *Dirección de Areas Protegidas* (DIAP), satisfactory to the Bank, whereby, *inter alia*:

(i) the obligation of DIAP to assist the Recipient to carry out Activities related to the operation of the fire risk forecast system and coordinate strategies and activities for the reduction of forest fires around protected areas, in accordance with the terms and conditions set forth in this Agreement.

(ii) the Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant, and except as the World Bank shall otherwise agree, the Recipient shall not change, assign, amend, abrogate, waive or fail to enforce the Subsidiary Agreement or any provision thereof. In the event of any inconsistency between the provisions of the Subsidiary Agreement and the provisions of this Agreement, the provision of this Agreement shall prevail.

2.04. *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 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 Project 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 and May 2010 ("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 and May 2010 ("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: (i) Shopping; or (ii) 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: (i) Selection based on Consultants' Qualifications; (ii) Single-source Selection; (iii) Selection of Individual Consultants; or (iv) 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:

| <u>Category</u> | <u>Amount of the Grant Allocated (expressed in USD)</u> | <u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u> |
|---|---|---|
| (1) Goods, Works, and Consultants’ Services, and Travel and Salaries of Project Staff | 178,196 | 100% |
| (2) Operating Costs | 19,850 | 100% |
| TOTAL AMOUNT | 198,046 | |

(b) For the purposes of this Section, the terms:

(i) “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

(ii) “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 fuel/oil, vehicle rental, office stationary, broadband connection, landline, accident insurance, motorbike insurance, motorbike taxes, printing and photocopying of materials, supplies, maintenance, public utilities fees, communication, banking commissions, banking fee.

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 its Executive Director.

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

Fundación Amigos de la Naturaleza
Km 7 ½ Carretera antigua a Cochabamba
Santa Cruz de la Sierra,
Bolivia
2241
Telephone: ++ 591-3-3556800 ext. 132
Facsimile: ++591-3-3547383

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 \(PS\)](#):

Erwin de Nys
edenys@worldbank.org

Telephone: [458-8753](tel:458-8753)

APPENDIX**Modifications to the Anti-Corruption Guidelines**

Section I. The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”