Edgar Atencio  
President of the Association  
Asociacion IXACAVAA de Desarrollo e Información Indigena  
Los Ángeles de Santo Domingo de Heredia  
Restaurante Los Mangos  
75 Oeste.  
Apdo.1854-3000, Heredia  
Republic of Costa Rica  


**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 Multi-donor Trust Fund (MDTF) (TF071373) which supports the "2009 Global Development Marketplace on Climate Change Adaptation", and Asociacion IXACAVAA de Desarrollo e Información Indigena ("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 No. TF097000 ("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

(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) **Electronic Delivery (subsection 3.4)** The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices (“Tokens”) from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection ([https://clientconnection.worldbank.org](https://clientconnection.worldbank.org)). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) **Terms and Conditions of Use of Tokens to Process Applications.** By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.
(v) 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 Nacional de Costa Rica.
- **Ceiling (subsection 6.1):** US$136,500.
- **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 requests for Reimbursement**
  - Unaudited Final Financial Report in the form attached (Attachment 5).

- **For reporting eligible expenditures paid from the Designated Account:**
  - Unaudited Final Financial Report in the form attached (Attachment 5).

(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

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>.

If you have any queries in relation to the above, please contact kvegacoronel@worldbank.org using the above reference.

Yours sincerely,

By p.p. Trina Haque
Laura Frigenti
Acting Country Director
Central America Country Management Unit
Latin America and the Caribbean Region

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

Appendix I: Indicative Withdrawal Schedule

Prepared by: Vanya Candia, WBIIN

Cleared with and cc: Teresa Genta Fons,
Jill A. Roberts (CTRFC)
Venkateshwaran Chandran (TACT)
Appendix I

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.

<table>
<thead>
<tr>
<th>Period</th>
<th>End of Reporting Period</th>
<th>Expected Activities/Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td>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.</td>
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<tr>
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<td>2. Outcome Indicators agreed upon with PS and PM:</td>
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<tr>
<td></td>
<td></td>
<td>a. 3 agricultural adaptive production systems have been developed</td>
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<tr>
<td></td>
<td></td>
<td>b. 3 indigenous products and services with market potential have been identified and developed, in order to promote economic self-sustainability.</td>
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<td></td>
<td>c. Over 50% of families have been involved in the process of rescuing ancient knowledge and the creation of indigenous protocols for the protection, access and equal distribution of benefits resulting from community resource management.</td>
</tr>
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<td></td>
<td>d. Areas with high risk to floods have been identified and mapped in at least 50% of the indigenous territory, and have been integrated into the community zoning process.</td>
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<tr>
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<td></td>
<td>e. 10 local indigenous representatives have participated in the training process on specific entrepreneurship issues related to natural resources and traditional indigenous knowledge.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>f. Local representatives have been involved in at least 1 national forum and 1 regional forum (Mesoamerican) to transfer their experience regarding the improvement of their adaptive capacity to climate change to other indigenous peoples that are vulnerable in the country and the region.</td>
</tr>
<tr>
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<td>3. Completed budget template for Period 1 activities.</td>
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<tr>
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<td>4. All legal documents signed by the Project Team and the World Bank Country Director/Manager</td>
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</tbody>
</table>

Effectiveness of the Agreement
<table>
<thead>
<tr>
<th>Period</th>
<th>Forecast for advance payment to carry out activities</th>
<th>Project-Specific Output Indicators (3-5)</th>
<th>End of activities covering the reporting period</th>
</tr>
</thead>
</table>
| 1&2    | $102,500 (50% of Total)                             | 1. A book on indigenous adaptive agricultural production systems  
|        |                                                     |   b. 4 protocols of workshops for the rescue of indigenous knowledge  
|        |                                                     |   c. 4 protocols of workshops to identify and develop indigenous products and services with market potential  
|        |                                                     |   d. 2 reports on meetings or visits to national indigenous development projects.  
|        |                                                     |   e. 3 indigenous productive systems strengthened  
|        |                                                     |   f. Define terms of reference and scope of financial management technical assistance between the Recipient and the World Bank  |
| 12 months after effectiveness |                                     | End of activities covering the first and second reporting periods |
| 3      | $61,500 (30% of Total)                             | 1. Create a map showing areas that are used for cultural activities, production, living and that are considered in risk from the indigenous and western point of view  
|        |                                                     | b. 4 protocols of workshops to identify and develop indigenous products and services with market potential  
|        |                                                     | c. 1 report on meeting or visit to indigenous development projects in the region.  
|        |                                                     | d. 2 protocols of workshops for the rescue of indigenous knowledge  
|        |                                                     | e. Participation of 50% of the families from the Cabécar indigenous communities in workshops of indigenous knowledge  |
| 18 months after effectiveness |                                     | End of activities covering this reporting period |
| 3      | $41,000 (20% of Total)                             | 2. Project Supervisor’s or Project Manager’s site visit to review progress on all outputs outlined above |
1. Project-Specific Output Indicators (3-5)
   a. Develop a video of the project in Cabécar, English and Spanish
   b. Protocol on the evaluation of marketing and profitability of new indigenous products and services
   c. Publish a brochure in Cabécar and Spanish about the culture, markets and climate change in Bajo Chirripó
   d. 10 indigenous representatives have participated in training for entrepreneurs
   e. Design a website of the project

2. Submit sustainability plan for after completion of Grant activities, and

3. Submit Project evaluation plan

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<tr>
<th>24 months after effectiveness</th>
<th>End of activities covering this reporting period</th>
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<tbody>
<tr>
<td>December 31, 2012</td>
<td>Completion of all Project activities.</td>
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Total Grant Amount: $195,000