Her Excellency
Elba Viviana Caro
Minister of Development Planning
Ministry of Development Planning
Avenida Mariscal Santa Cruz No. 1092
La Paz, Bolivia

Re: Plurinational State of Bolivia: Pilot Program for Climate Resilience-Phase 1
Grant No. TF098449
First Amendment to the Grant Agreement

Excellency:

Please refer to the agreement between the Plurinational State of Bolivia (the “Recipient”) and the International Development Association (the “Association”) dated December 23, 2010, with regard to the above-captioned Project (the “Grant Agreement”).

Pursuant to your letter dated May 17, 2012 and the discussions between the Recipient and the Association requesting to modify the Grant Agreement, we are pleased to inform you that the Association hereby agrees to amend the Grant Agreement as follows:

1. The designation of “Project Implementing Entity” is hereby amended and replaced throughout the Grant Agreement by “MMAyA”.

2. The following definitions are deleted (and the existing definitions are consequently renumbered to keep the alphabetical order):

“‘PNCC’ means the entity responsible for the Recipient’s National program for Climate Change as established under MMAyA through the Supreme Decree No. 25030 of April 27, 1998, and entrusted with the fulfillment of all operational technical commitments of the Recipient to the United Nations Framework Convention on Climate Change”.

“Project Implementing Entity” means the MMAyA which under the Ministerial Resolution No 270 – October 7, 2010, was entrusted, on behalf of the Recipient, with the responsibility of executing and managing use of the Grant for the implementation of the PPCR-Bolivia Phase I.”

3. The following definition is added, placed in alphabetical order, to read as follows:

“(k) “UCP-PPCR” means “Unidad Coordinadora del Programa”, the Project Implementing Unit, which under the Ministerial Resolution No. 191, dated August 13, 2012, has been entrusted with the responsibility to implement the PPCR Program.”

4. Section 2.01, Part D of Article II to the Grant Agreement is hereby amended and replaced in its entirety to read as follows:
“The activities under this Part D aim at the establishment and operation within the Project Implementing Unit (Unidad de Coordinación del Programa Piloto de Resilencia Climática) (UCP-PPCR) of a technical and administrative team to strengthen the MMAyA in order to carry out Phase 1 of the PPCR Project.

Provision of technical assistance to: (i) elaborate a procurement plan for the Project; (ii) prepare the annual Project operational plans; (iii) manage the proceeds of the Grant; (iv) provide legal advice in relation to Project execution; and (v) establish the Advisory Panel.”

5. Section 2.02 of Article II to the Grant Agreement is hereby amended and replaced in its entirety to read as follows:

“Project Execution Generally. (a) The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Environment and Water Resources (MMAyA) in accordance with the provisions of: (i) Article II of the Standard Conditions; (ii) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects finances by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 (“Anti-Corruption Guidelines”), with the modifications set forth in Section I of the Appendix to this Agreement; (iii) this Article II; (iv) the Project Operational Manual as set forth in Section 2.03 (a) (ii) (C); and (v) the Subsidiary Agreement as set forth in Section 2.03 (a).”

(b) To this end, the Recipient shall vest the overall responsibility for the implementation of the Project in the MMAyA and to this end, shall, through the MMAyA: (i) establish and maintain, throughout Project implementation, the UCP-PPCR, which unit shall be assigned: (A) a dedicated team of professionals described in the Project Operational Manual, in number and with qualifications and experience satisfactory to the Association, including inter alia, a Project coordinator, specialists in financial management and procurement; and (B) functions and responsibilities and funding, satisfactory to the Association, as shall be required for the strengthening of the day-to-day-implementation of the Project; and (ii) ensure that the staff of the UCP-PPR is hired following a competitive and transparent selection process satisfactory to the Association and detailed in the Project Operational Manual.”

6. Section 2.03 (a) (ii) of Article II to the Grant Agreement is hereby amended and replaced to read in its entirety as follows:

“(a) (ii) the MMAyA’s obligations to: (A) carry out Project activities with due diligence and efficiency; (B) use the Grant funds in accordance with the terms and conditions of this Agreement and those of the Subsidiary Agreement, and in conformity with administrative, technical, financial, procurement, auditing, participatory and legal standards and practices set out in the Project Operational Manual; (C) no later than August 30, 2012 (or such other later date as the Association shall established), update the Project Operational Manual in order to include the revised institutional arrangements and, thereafter, shall carry out the Project activities in accordance with the updated Project Operational Manual, acceptable to the Association, wherein shall be set forth, inter alia, the administrative, technical, financial, procurement, auditing, participatory and legal standards and practices to be used for Project implementation; (D) furnish all information covering the implementation of Project Activities and the use of the proceeds of the Grant, as the Association shall reasonably request; (E) from time to time, exchange views with the Association’s representatives on the
progress and results of the Project activities pursuant to the provisions of Section 2.04 of this Agreement; (F) take, in close consultation with the Recipient, all necessary measures required to enable the Association’s representatives to visit the territory of the Recipient for purposes related to the Grant; (G) carry out procurement and contractual aspects required for the implementation of the Project Activities and the maintenance of all relevant procurement documentation, all in accordance with the provisions of the Section 2.07 of this Agreement; (H) ensure the timely withdrawal of Grant funds pursuant to the provisions of Article III to this Agreement and the terms of the Disbursement Letter; (I) ensure compliance with financial management procedures detailed in Section 2.06 of this Annex; (J) ensure, until the completion of the Project, efficient inter-institutional coordination and exchanges between the public sector representatives appointed to the Project, seeking to resolve, in a timely manner, any issue that may delay Project implementation; and (K) ensure the carrying out of the Project in accordance with the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.”

Please confirm your agreement with the foregoing amendment by signing and dating this amendment letter in the spaces provided below. This amendment letter shall be executed in two counterparts, each of which shall be an original.

Upon confirmation, please return one fully executed original to the Association. The provisions set forth in this amendment letter shall become effective as of the date of this letter upon receipt by the Association of one fully executed original of this amendment letter.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By [Signature]

Susan Goldmark
Director
Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

AGREED:

PLURINATIONAL STATE OF BOLIVIA

By: [Signature]

(Authorized Representative)

Name: [Name]

Title: MINISTRA DE PLANIFICACIÓN DEL DESARROLLO

Date: OCTOBER 3, 2012