

## **PROFONANPE**

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Project "Building the Resilience of Wetlands in the  
Province of Datem del Marañon in Peru" funded  
by the Master Accreditation Agreement and the  
Funded Activity Agreement (Grants) signed  
between the Green Climate Fund and  
PROFONANPE

Audit of financial statements for the year ended  
December 31, 2023

## AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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Mr.  
Anton Willems Delanoy  
Executive director  
PROFONANPE  
Lima - Peru. -

Dear Sirs:

This document represents the **"Executive Summary"** of the financial audit report for the period January 01 to December 31, 2023 of the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon, in Peru"*, funded through the Master Accreditation Agreement and Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE. The content of this executive summary is as follows:

## 1. BACKGROUND

### a) The Green Climate Fund

The **Green Climate Fund** is a fund created in the context of the United Nations Framework Convention on Climate Change and was established as a mechanism to assist developing countries in climate change adaptation and mitigation practices. It is a unique global initiative to respond to climate change by investing in low-emission, climate-resilient development. This Fund was established by 194 governments to limit or reduce greenhouse gas emissions in developing countries and to help vulnerable societies adapt to the inevitable impacts of climate change. It therefore supports thematic funding windows, projects, programs, policies, and other activities in developing countries.

### b) The Master Accreditation Agreement and Funded Activity Agreement (Grants)

On July 19, 2016, the Green Climate Fund signed an Accreditation Agreement with PROFONANPE to finance the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru"*, which was approved in November 2015 and started its activities in June 2017. This project aims to improve the resilience capacities of indigenous communities living in carbon-rich wetland ecosystems in the Province Datem del Marañon in the Loreto, Region of Peru (wetland and lake conservation); and, to improve the livelihoods of indigenous communities and reduce greenhouse gas emissions from deforestation (development of projects based on the sustainable use of biodiversity). On December 15, 2016, the Green Climate Fund and PROFONANPE signed the Funded Activity Agreement (Grants) for the execution of the project.

The budget approved by the Funded Activity Agreement amounts to US\$ 9'110,000, of which US\$ 6'240,000 is contributed by the Green Climate Fund, US\$ 1'800,000 is contributed by the Government of South Korea and US\$ 1'070,000 corresponds to PROFONANPE.

**c) The project-executing agency**

PROFONANPE is a non-profit private institution established by Decree Law N° 26154 of December 29, 1992, to manage the National Fund for Natural Areas Protected by the Government and has its own legal existence and legal personality. In accordance with Article 181.1 of the Regulations of the Natural Protected Areas approved by Supreme Decree N° 038-2001-AG, PROFONANPE's mission is to capture, channel, and assign complementary resources required to contribute to the conservation of biological diversity, protection, and management of the Natural Protected Areas included in the Regulation.

**2. OBJECTIVES AND AUDIT SCOPE**

The external audit professional services contract signed with PROFONANPE to conduct the audit of the project *“Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru”*, funded through the Master Accreditation Agreement and Funded Activity Agreement (Grants), signed between the Green Climate Fund and PROFONANPE established the following objectives:

- Issue an opinion on whether the statement of funds and the statement of accumulated investments of the project *“Building the Resilience of Wetlands in the Province of Datem del Marañon, Peru”*, reasonably presents the sources and uses of funds for the period from January 01 to December 31, 2023, as well as the investments at the latest date, in accordance with the accounting policies applied and the terms of the Master Accreditation Agreement and Funded Activity Agreement (Grants).
- Issue an opinion on whether the supplementary financial information as of December 31, 2023, has been fairly presented in all its material respects.
- Issue an opinion regarding PROFONANPE's compliance with the clauses set forth in the Master Accreditation Agreement and the Funded Activity Agreement (Grants) during the period under review.
- Issue an opinion on the reasonableness of PROFONANPE' internal control system for the management of the funds transferred by the Green Climate Fund in the period under review, identifying significant deficiencies in design and operation, if any.

We conducted our audit in accordance with International Standards on Auditing issued by the *International Auditing and Assurance Standards Board – IIASB*, approved for application in Peru by the Board of Deans of Public Accountants Colleges of Peru, as well as with the requirements set forth in the Guidelines and Terms of Reference for Audits of World Bank-financed Projects in the Latin American and Caribbean Region. Therefore, our examination covered income and expense transactions made with funds from the Master Accreditation Agreement and the Funded Activity Agreement (Grants) for the period January 01 to December 31, 2023. A summary of the audit procedures applied is presented in Annex N° 4 of this report.

**3. AUDIT RESULTS**

As a result of the audit of financial statements of the Project *“Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru”* funded by the Master Accreditation Agreement and the Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE for the period from January 01 to December 31, 2023, we issued our audit report on March 24, 2023. A summary of this report is presented below:

- Unqualified opinion on the statement of funds and the statement of accumulated investments of the project for the period from January 01 to December 31, 2023.
- Unqualified opinion on the supplementary information as of December 31, 2023.
- We believe that PROFONANPE reasonably complied with the terms of the Master Accreditation Agreement and the Funded Activity Agreement signed with the Green Climate Fund during the period from January 01 to December 31, 2023.
- The internal control report established by PROFONANPE for the period from January 01 to December 31, 2023, does not report any significant deficiencies in the design and operation of the internal controls established by the executing entity for project management.

#### 4. ENTITY'S COMMENTS

The Executive Direction of PROFONANPE has taken cognizance of this audit report and has expressed its agreement with its content.

Lima, Peru  
March 27, 2024

Countersigned by: :

*Fonseca, Camargo y Asociados*



Oswaldo Fonseca Luna  
Certified Public Accountant  
Registration N° 8095

## INDEPENDENT AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

To the members of the Directive Board and Executive Director  
PROFONANPE  
Lima – Peru

March 27, 2024

### Opinion

1. We have audited the statement of sources and uses of funds for the period from January 01 to December 31, 2023 and the statement of accumulated investments as of December 31, 2023, corresponding to the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon, in Peru"*, as well as the summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the sources and uses of funds for the period from January 01 to December 31, 2023, and the cumulative investments of the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon, in Peru"* for the period then ended, in accordance with the accounting policies described in Note 2 to the accompanying financial statements and the terms of the aforementioned Agreement.

### Basis for opinion

2. We conducted our audit in accordance with International Standards on Auditing – ISA formalized in Peru by the Board of Deans of the Peruvian Institute of Public Accountants. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section. We are independent of PROFONANPE in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA) and the ethical requirements of the Code of Professional Ethics issued by the Board of Deans of Peruvian Institute of Public Accountants that are relevant to our audit of financial statements. We have complied with our ethical responsibilities under the IESBA Code of Ethics and the ethical requirements of the Code of Professional Ethics of the Board of Deans of the Peruvian Institute of Public Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Management' Responsibility for the financial statements

3. Management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with accounting standards applicable to not-for-profit organizations and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as appropriate, matters related to this accounting principle and its use, unless Management intends to liquidate the entity or cease operations, unless it has no realistic alternative but to do so.

Those charged with governance of the entity are responsible for overseeing the process of preparing its financial information.

#### **Auditor's Responsibilities for the audit of the financial statements**

4. Our objectives are to obtain reasonable assurance about whether the financial statements of the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon, in Peru"* as a whole are free from material misstatement, whether due to fraud or error, and to issue the audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with International Standards on Auditing approved for application in Peru by the Board of Deans of the Peruvian Institute of Public Accountants, we exercise professional judgment and maintain professional skepticism throughout the audit.

Also:

- a) We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks and applied audit procedures to respond to those risks and obtained sufficient appropriate evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- c) We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- d) We conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to disclosures related to the financial statements or, if these disclosures are inadequate, to modify our opinion. The conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the entity to cease to operate as a going concern.
- e) We evaluate the overall presentation, structure, content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate to those charged with governance of PROFONANPE a statement that we have complied with ethical requirements, including the planned scope and timing of the audit, as well as any deficiencies in internal control identified during the audit.

#### Other matter

5. Without modifying our opinion, we refer to note 2 to the financial statements describing the basis of accounting. The financial statements of the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon, in Peru"*, for the period from January 01 to December 31, 2023, have been prepared in accordance with the cash basis of accounting. According to this basis of accounting, revenues are recognized when received and expenses are recognized when paid and not when accrued, which results in a method different from that based on accepted accounting principles in Peru, which include the International Financial Reporting Standards – IFRS.
6. This report is issued solely for the knowledge and use of PROFONANPE and the Green Climate Fund and should not be used by others or for purposes other than those indicated herein.

Lima, Peru  
March 27, 2024

Countersigned by: :



Oswaldo Fonseca Luna  
Certified Public Accountant  
Registration N° 8095

*Fonseca, Camargo y Asociados*



**STATEMENT OF FUND**  
**For the period from January 01 to December 31, 2023**  
(Expressed in US Dollars)

		Accumulated as of December 31, 2022				From January 1 to December 31, 2023				Accumulated as of December 31, 2023			
	Notes	PROFO- NANPE	KOICA	Green Climate Fund	Total	PROFO- NANPE	KOICA	Green Climate Fund	Total	PROFO- NANPE	KOICA	Green Climate Fund	Total
<b>INCOME OF FUNDS</b>													
<b>Funds received</b>													
1 Fund transfers, Project cost	3	-	-	624,000	624,000	-	-	-	-	-	-	624,000	624,000
2 Fund transfers, Green Climate Funds	3	-	-	6,240,000	6,240,000	-	-	-	-	-	-	6,240,000	6,240,000
3 Fund transfers, KOICA	3	-	600,000	-	600,000	-	-	-	-	-	600,000	-	600,000
4 Earned interests	3	-	-	575	575	-	-	1,269	1,269	-	-	1,844	1,844
5 Portfolio withdrawal	3	1,015,424	-	-	1,015,424	25,963	-	-	25,963	1,041,387	-	-	1,041,387
6 Contributions PROFONANPE		-	-	-	-	131,615	-	-	131,615	131,615	-	-	131,615
<b>Total funds received</b>		<b>1,015,424</b>	<b>600,000</b>	<b>6,864,575</b>	<b>8,479,999</b>	<b>157,578</b>	<b>-</b>	<b>1,269</b>	<b>158,847</b>	<b>1,173,002</b>	<b>600,000</b>	<b>6,865,844</b>	<b>8,638,846</b>
<b>USE FOR FUNDS BY COMPONENTS:</b>													
<b>Total use for funds by components</b>													
0 Financial Management		-	-	624,000	624,000	-	-	-	-	-	-	624,000	624,000
1 Strengthening of institutional capacity in government agency	4	231,830	-	883,469	1,115,299	-	-	146,492	146,492	231,830	-	1,029,961	1,261,791
2 Strengthening of the capacity of community	5	411,118	-	1,139,755	1,550,873	76,112	-	398,615	474,727	487,230	-	1,538,370	2,025,600
3 Resilience through bio -business	6	173,493	598,548	2,466,528	3,238,569	-	-	191,095	191,095	173,493	598,548	2,657,623	3,429,664
4 Science, technology, knowledge and monitoring system and evaluation	7	184,038	-	721,923	905,961	86,651	-	81,680	168,331	270,689	-	803,603	1,074,292
<b>Total use of funds by components</b>		<b>1,000,479</b>	<b>598,548</b>	<b>5,835,675</b>	<b>7,434,702</b>	<b>162,763</b>	<b>-</b>	<b>817,882</b>	<b>980,645</b>	<b>1,163,242</b>	<b>598,548</b>	<b>6,653,557</b>	<b>8,415,347</b>
Accounts to be regularized/exchange difference		<b>(11,295)</b>	<b>(1,452)</b>	<b>(46,719)</b>	<b>(59,466)</b>	<b>2,170</b>	<b>-</b>	<b>8,977</b>	<b>11,147</b>	<b>(9,125)</b>	<b>(1,452)</b>	<b>(37,742)</b>	<b>(48,319)</b>
Increase (decrease) in cash		3,650	-	982,181	985,831	(3,015)	-	(807,636)	(810,651)	635	-	174,545	175,180
Cash at beginning of period		-	-	-	-	3,650	-	982,181	985,831	-	-	-	-
<b>Cash at end of period</b>	8	<b>3,650</b>	<b>-</b>	<b>982,181</b>	<b>985,831</b>	<b>635</b>	<b>-</b>	<b>174,545</b>	<b>175,180</b>	<b>635</b>	<b>-</b>	<b>174,545</b>	<b>175,180</b>

The accompanying notes are part of this statement.

**STATEMENT OF ACCUMULATED INVESTMENTS**  
**For the period from January 01 to December 31, 2023**  
 (Expressed in US Dollars)

	Budget approved				Accumulated as of December 31, 2022				From January 1 to December 31, 2023				Accumulated as of December 31, 2023			
	PROFO- NANPE	KOICA	Green Climate Fund	TOTAL	PROFO- NANPE	KOICA	Green Climate Fund	Total	PROFO- NANPE	KOICA	Green Climate Fund	Total	PROFO- NANPE	KOICA	Green Climate Fund	Total
<b>Components</b>																
0 Financial management	-	-	-	-	-	-	624,000	624,000	-	-	-	-	-	-	624,000	624,000
1 Strengthening of institutional capacity in government agency	312,000	-	950,000	1,262,000	231,830	-	883,469	1,115,299	-	-	146,492	146,492	231,830	-	1,029,961	1,261,791
2 Strengthening of the capacity of community	464,000	-	1,940,000	2,404,000	411,118	-	1,139,755	1,550,873	76,112	-	398,615	474,727	487,230	-	1,538,370	2,025,600
3 Resilience through bio -business	192,000	600,000	2,700,000	3,492,000	173,493	598,548	2,466,528	3,238,569	-	-	191,095	191,095	173,493	598,548	2,657,623	3,429,664
4 Science, technology, knowledge and monitoring system and evaluation	310,000		650,000	960,000	184,038	-	721,923	905,961	86,651	-	81,680	168,331	270,689	-	803,603	1,074,292
										-						
<b>Total Investments</b>	<b>1,278,000</b>	<b>600,000</b>	<b>6,240,000</b>	<b>8,118,000</b>	<b>1,000,479</b>	<b>598,548</b>	<b>5,835,675</b>	<b>7,434,702</b>	<b>162,763</b>	<b>-</b>	<b>817,882</b>	<b>980,645</b>	<b>1,163,242</b>	<b>598,548</b>	<b>6,653,557</b>	<b>8,415,347</b>

The accompanying notes are part of this statement.

## NOTES TO THE STATEMENT OF FUNDS AND STATEMENT OF ACCUMULATED INVESTMENTS FOR THE PERIOD BETWEEN JANUARY 01 AND DECEMBER 31, 2023

### 1. PURPOSE AND PROJECT'S BUSINESS ACTIVITIES

#### a. The Green Climate Fund

The **Green Climate Fund** is a fund created in the context of the United Nations Framework Convention on Climate Change and was established as a mechanism to assist developing countries in climate change adaptation and mitigation practices. It is a unique global initiative to respond to climate change by investing in low-emission, climate-resilient development. This Fund was established by 194 governments to limit or reduce greenhouse gas emissions in developing countries and to help vulnerable societies adapt to the inevitable impacts of climate change. Therefore, it supports thematic funding windows, projects, programs, policies, and other activities in developing countries.

The **Green Climate Fund** is based in *Songdo*, the new district of *Incheon, South Korea* and is governed by a Board.

#### b. The Master Accreditation Agreement and Funded Activity Agreement

On July 19, 2016, the Green Climate Fund signed a Master Accreditation Agreement with PROFONANPE to finance the project "Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru", which was approved in November 2015 and started its activities in June 2017. This project aims to:

- Improve the resilience capacities of indigenous communities living in carbon-rich wetland ecosystems in the Province Datem del Marañon in the Loreto Region of Peru (wetland and lake conservation); and,
- Improve the livelihoods of indigenous communities and reduce greenhouse gas emissions from deforestation (development of projects based on the sustainable use of biodiversity).

This project includes the extension of the scope of the "Pastaza Morona" project executed by PROFONANPE and includes among its components those measures for the mitigation and adaptation to climate change. The project's interaction strategy is aimed at enabling local producers to improve their organizational, technical, and financial and communication capacities in order to carry out the transformation and commercialization of their production, both through the management of biodiversity and the greater added value of products and the greater empowerment of their ancestral territories.

The project's scope of action is the indigenous community of Nueva Yarina, whose annexes are not recognized by the communities of Nueva Egipto, Puerto Tangama, Puerto Barranquillo, San Ramón, Kaspá Cocha, Chuinda Cocha, Urirococha and Domingo Cocha, located in the Chuinda ravine on the Pastaza River, a tributary of the Marañon River. The native community of Nueva

Yarina and its annexes has requested support from the Datem Wetlands project for the implementation of a high value-added hardwood bio-business, which has been prioritized as an area of special interest for the project.

On December 15, 2016, the Green Climate Fund and PROFONANPE signed the Funded Activity Agreement (Grants) for the execution of the project. According to the budget approved by the Agreement, the amount financed is US\$ 8,118,000, of which US\$ 6,240,000 is contributed by the Green Climate Fund, US\$ 600,000 is contributed by the Government of South Korea (*Korea International Cooperation Agency – KOICA*) and US\$ 1,278,000 by PROFONANPE. The final budget is broken down into the following components:

<u>Components</u>	<u>Expressed in US Dollars</u>			
	<u>Green Fund</u>	<u>KOICA</u>	<u>PROFONANPE</u>	<u>TOTAL</u>
01. Strengthening of institutional capacity in government agencies	950,000	-	312,000	1,262,000
02. Strengthening the capacity of community institutions	1,940,000	-	464,000	2,404,000
03. Resilience through bio-business	2,700,000	600,000	192,000	3,492,000
04. Science, technology, knowledge and monitoring system and evaluation	650,000	-	310,000	960,000
<b>Total</b>	<b>6,240,000</b>	<b>600,000</b>	<b>1,278,000</b>	<b>8,118,000</b>

The term of execution of the Agreement entered with the Green Climate Fund was five years, starting in March 2017, which is co-financed by KOICA and PROFONANPE. Additionally, on February 28, 2019, KOICA accepted the extension of project activities until December 2022 for the preparation of the memorandum of understanding and the financing agreement until February 2021. Also, based on the agreement adopted by the board of directors On June 1, 2021, an addendum to the co-financing agreement with KOICA was signed, reducing the total restructured budget to US\$600,000. In addition, through “Side Letter No. 2 and No. 3 of June 2022 and February 20, 2024, the Green Climate Fund approved the extension of the project until December 31, 2023, and December 31, 2024, respectively.

The Operational Plan of Activities of the project for the year 2023 of the project amounted to US \$ 910,883.

**c. The project-executing agency**

PROFONANPE is a non-profit private institution established by Decree Law N° 26154 of December 29, 1992, to manage the National Fund for Natural Areas Protected by the Government and has its own legal existence and legal personality. In accordance with Article 181.1 of the Regulations of the Natural Protected Areas (Supreme Decree N° 038-2001-AG), PROFONANPE's mission is to capture, channel, and assign complementary resources required to contribute to the conservation of biological diversity, protection, and management of the Natural Protected Areas and their buffer zones included in the Regulation.

PROFONANPE is the recipient entity of the Green Climate Fund grant and is therefore responsible for the technical and fiduciary execution of the project, including monitoring and supervision, for which it must implement a Directive Committee to monitor its implementation.



## **2. ACCOUNTING POLICIES**

The most important accounting policies used for the recording of transactions and the preparation of project's financial statements are as follows:

a) Presentation of financial statements

The project's financial statements were prepared by PROFONANPE based on the accounting records kept in accordance with the accounting standards applicable in Peru to nonprofit organizations and procedures established for that purpose.

b) Accounting basis

The statement of funds and the statement of accumulated investments are prepared on a cash accounting basis. On this basis, income is recognized when it is received and expenses when it is paid and not when it is earned. The adoption of this accounting basis gives rise to a method different from that based on accounting principles generally accepted in Peru.

c) Monetary unit

For presentation purposes, the basic financial statements of the Accreditation Agreement between the Green Climate Fund and PROFONANPE that are presented are expressed in U.S. Dollars.

d) Exchange rate

Transactions are recorded in Soles and U.S. Dollars as appropriate in each case. For the preparation and presentation of the project's financial statements (statement of funds and statement of accumulated investments), the funds in Soles are converted to U.S. Dollars at the exchange rate in effect on the date of each transaction.

e) Statement of funds

This financial statement shows the cash transactions carried out by the executing entity classified under Source of Funds (Income); Use of Funds (Expenses) and Cash available at the end of the period.

f) Statement of accumulated investments

This statement records the disbursements made against funds transferred by the Green Climate Fund and classified under the appropriate budget line items.

### 3. SOURCE OF FUNDS

It comprises:

		Expressed in US Dollars		
Date	Description	PROFONANPE / KfW	Green Climate Fund	Total
31/12/2023	Saving account interest, 2023	-	1,269	1,269
	<b>Interest saving account</b>	-	<b>1,269</b>	<b>1,269</b>
	<b>(a) Retiros del portafolio</b>			
31/05/2023	Regularization of the rescue balance due to the closure of the Datem del Mara�on Portfolio	1	-	1
31/05/2023	Regularization of the rescue balance due to the closure of the Datem Portfolio	103	-	103
20/01/2023	Portfolio Withdrawal, Datem	6,475	-	6,475
28/02/2023	Portfolio liquidation ap 299 Datem Del Mara�on	19,384	-	19,384
		<b>25,963</b>	-	<b>25,963</b>
	<b>(b) PROFONANPE Contributions</b>			
20/11/2023	Transfer received by donation of PY-016, net payroll November, 2023	2,083	-	2,083
21/11/2023	Financing received by donation from PY-016, OP Reference 16841, plus taxes; November 2023 worksheet.	1,452	-	1,452
30/11/2023	Transfer received from PY-016 OP, Ref. 17330 17331 17958.	1,383	-	1,383
20/12/2023	Transfer received by donation PY-016 for net payroll December 2023, PY-062, KfW.	2,114	-	2,114
11/12/2023	Transfer received by donation PY-016 for payment of gratification December 2023.	2,756	-	2,756
21/12/2023	Transfer received from PY-16 for December 2023 tax return, PY-062 KfW.	670	-	670
22/12/2023	PY-016 Donation to reverse loan PY-117	62,985	-	62,985
22/12/2023	PY-016 Donation to reverse loan	58,172	-	58,172
		<b>131,615</b>	-	<b>131,615</b>
		<b>157,578</b>	<b>1,269</b>	<b>158,847</b>

### 4. USE OF FUNDS – STRENGTHENING OF INSTITUTIONAL CAPACITY IN GOVERNMENT AGENCIES (COMPONENT 1)

It comprises:

	Expressed in US Dollars		
	PROFONANPE / KfW	Green Climate Fund	Total
002 Goods and equipment	-	11,494	11,494
003 Consulting	-	72,070	72,070
004 Operational cost	-	59,181	59,181
008 Personel	-	2,289	2,289
013 Travel, transport and per diem	-	1,458	1,458
	-	146,492	146,492

## 5. USE OF FUNDS – STRENGTHENING THE CAPACITY OF COMMUNITY INSTITUTIONS (COMPONENT 2)

It comprises:

	Expressed in US Dollars		
	PROFONANPE / KfW	Green Climate Fund	Total
001 Works	-	5,575	5,575
002 Goods and equipment	-	23,120	23,120
003 Consulting	-	142,023	142,023
004 Operational cost	-	111,757	111,757
005 Workshops	-	1,953	1,953
008 Personnel	76,112	103,465	179,577
013 Travel, transport and per diem	-	10,722	10,722
	<u>76,112</u>	<u>398,615</u>	<u>474,727</u>

## 6. USE OF FUNDS – RESILIENCE THROUGH BIO-BUSINESS (COMPONENT 3)

It comprises:

	Expressed in US Dollars		
	PROFONANPE / KfW	Green Climate Fund	Total
002 Goods and equipment	-	103,665	103,665
003 Consulting	-	79,194	79,194
004 Operational cost	-	7,935	7,935
006 Subgrants	-	(550)	(550)
008 Personnel	-	851	851
	<u>-</u>	<u>191,095</u>	<u>191,095</u>

## 7. USE OF FUNDS – SCIENCE, TECHNOLOGY, KNOWLEDGE, AND MONITORING SYSTEM (COMPONENT 4)

It comprises:

	Expressed in US Dollars		
	PROFONANPE / KfW	Green Climate Fund	Total
003 Consulting	-	54,068	54,068
004 Operational cost	-	27,005	27,005
008 Personnel	86,651	(223)	86,428
013 Travel, transport and per diem	-	830	830
	<u>86,651</u>	<u>81,680</u>	<u>168,331</u>

## 8. AVAILABLE AT DECEMBER 31, 2023

It comprises:

	<b>In Soles</b>	<b>Expressed in US Dollars</b>
<b>a) Green Climate Fund:</b>		
Foreign currency savings account N° 191-72183746-1-73	-	163,986
Savings account in Soles N° 191-72183730-0-57	41,532	11,200
		<b>175,186</b>
<b>Plus:</b>		
Various payments in Soles	(2,409)	(641)
		<b>(641)</b>
Available balance on December 31, 2023		<b>174,545</b>
<b>b) KOICA:</b>		-
Current account in foreign currency N° 191-2484716-1-49	-	-
Current account in Soles N° 193-1188608-0-39	-	-
Available balance on December 31, 2023	-	-
<b>c) PROFONANPE:</b>		
Current account in Soles N° 193-1192490-1-62	-	103
Master account in foreign currency N° 193-1188608-0-39	1,971	532
Available balance on December 31, 2023		<b>635</b>
Total available balance on December 31, 2023		<b>175,180</b>

## 9. SUBSEQUENT EVENTS

There are no significant events that occurred between the closing date of the project's financial statements and the date of this report that could materially affect them.



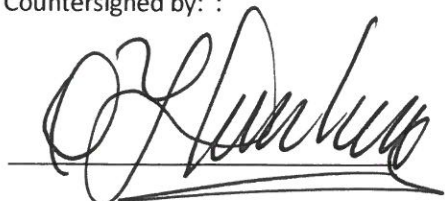
To the members of the Directive Board and Executive Director  
PROFONANPE  
Lima – Peru

1. We have audited the statement of funds for the period from January 01 to December 31, 2023 and the statement of accumulated investments as of December 31, 2023 for the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru"*, funded by the Master Accreditation Agreement and the Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE, and have issued our unqualified opinion thereof on March 27, 2024.
2. Our review was intended to provide an opinion on the statement of source and uses funds and the statement of accumulated investments for the period from January 01 to December 31, 2023 of the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru"* funded by the Master Accreditation Agreement and the Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE taken as a whole, was conducted in accordance with the International Standards on Auditing disclosed by the *International Auditing and Assurance Standards Board* and approved for application in Peru by the Board of Deans of Peruvian Colleges of Public Accountants, as well as with the requirements set forth in the *"Guidelines and Terms of Reference for Audits of World Bank-financed Projects in the Latin American and Caribbean Region"*; therefore, it included selective accounting tests and the application of other audit procedures as we considered necessary in the circumstances.
3. The supplementary financial information included as Annex N° 1, 2 and 3 is presented for additional analysis purposes and is not considered necessary for the presentation of the project's financial statements. This supplementary financial information has been the subject of the audit procedures applied to the project's financial statements and is, in our opinion, fairly presented in all material respects in relation to those statements taken as a whole.
4. This report is issued solely for the knowledge and use of PROFONANPE and the Green Climate Fund and should not be used by others or for purposes other than those indicated herein.

Lima, Peru  
March 27, 2024

Countersigned by :

*Fonseca, Camargo y Asociados*



Oswaldo Fonseca Luna (Partner)  
Certified Public Accountant  
Registration N° 8095

PROFONANPE

Project "Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru" funded by the Master Accreditation Agreement and the Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE  
Audit of financial statements for the year ended December 31, 2023

Annex N° 1

**PURCHASE OF GOODS**  
**FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023**  
**(Expressed in US Dollars in Soles)**

Purchase order	Business name	Description	Association	In Soles S/
062B-2023000001	Pasquel Chávez Pio	Bote de Madera	Tajimat	3,200
062B-2023000002	Impresiones Y Servicios Generales A&F S.A.C	Polos en algodón y gorras con estampado	Aspromag	6,877
062B-2023000003	Rodríguez Fernández Isaías	Botes de madera	Indios del Perú/ San Antonio	6,000
062B-2023000004	Servicios Generales Ager E.I.R.L.	Motores peque peque	Indios del Perú/ San Antonio	5,600
062B-2023000005	Montoya Leyva Edgar Ivan	Balanzas digital industrial	Indios del Perú/ San Antonio	900
062B-2023000006	Representaciones Y Servicios Sdach E.I.R.L.	Embarcación tipo deslizador	Bmo, BMP, Sasipahua, Charapi, TSungui	70,000
062B-2023000007	Representaciones Y Servicios Sdach E.I.R.L.	Motor fuera de borda 15 hp	Bmo, BMP, Sasipahua, Charapi, TSungui	59,000
062B-2023000008	Consultoría e Ingeniería Treyes Eirl	Equipos de chocolate	Tajimat	96,000
062B-2023000009	Cafer Consultores E.I.R.L.	Molino peletizadora	Sugkas	4,000
062B-2023000010	Impresiones Y Servicios Generales A&F S.A.C	Impresión de 1500 Cuadernillos	Transversal	14,000
062B-2023000011	Servicios Generales Ager E.I.R.L.	Motor peque peque	Tajimat	2,800
062B-2023000013	Angelita Multiventas-Construcciones Y Consultores S.A.C.	Viveres y alimentos	Transversal	11,659
062B-2023000014	Daniel Wilder Arteaga Rodríguez	Viveres y alimentos	Transversal	8,745
062B-2023000015	Pasquel Chávez Pio	Bote de madera	Aprosam	3,200
062B-2023000016	Servicios Generales Ager E.I.R.L.	Motor peque peque	Aprosam	2,800
062B-2023000017	Consultoría e Ingeniería Treyes EIRL	Motor generador	Tajimat	9,000
062B-2023000018	García Ruiz Elvira Suly	Alimento balanceado para peces	Sugkas	2,000
062B-2023000019	Cafer Consultores E.I.R.L.	Molino pulverizador	Sugkas	4,000
062B-2023000020	Manuel Import S.A.C.	Motor generador	Aspromag	11,000
062B-2023000021	Impresiones Y Servicios Generales A&F S.A.C	60 Gorros	Transversal	2,040
062B-2023000022	Negocios Y Servicios Generales Von Bancelis Srl	10 Roll Screen	Transversal	3,500
062B-2023000023	Cooperativa Agraria Achuar Shakaim Ltda	14 carteles de madera	Shakaim	400
062B-2023000024	Villaseca Chavez Miguel Ángel Humberto	Juego didáctico "Bosque Circular" (cartas y juego de mesa)	Transversal	1,003
062B-2023000025	Daniel Wilder Arteaga Rodríguez	Adquisición de combustible	Transversal	3,680
062B-2023000026	Daniel Wilder Arteaga Rodríguez	Servicio logístico implementación del plan de manejo de taricayas	Transversal	6,000
062B-2023000027	Asociación de Productores de Ungurahui Y Aguaje de Pueblos Indígenas del Sector Marañon	Adquisición de productos para Congreso REDLAC 2023	Transversal	250
062B-2023000028	Cooperativa Agraria Achuar Shakaim Ltda	Adquisición de productos para Congreso REDLAC 2023	Transversal	500
062B-2023000029	Daniel Wilder Arteaga Rodríguez	Adquisición de combustible: Monitoreo del Lago Rimachi	Transversal	1,430
			<b>Total:</b>	<b>339,584</b>

**Annex 2**

**CONSULTING SERVICES**  
**FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023**  
**(Expressed in US Dollars in Soles)**

Service order	Business name	Description	Amount (S/.)	Amount (USD)
062S-2023000001	Choclote Martinez Jaime Luis	Servicio De Diseño E Ilustración De Dibujos Para Rotafolio Sappa	2,500	-
062S-2023000002	Solís Rodríguez Carol Janet	Diseño y <b>Diagramación</b> De Material	2,160	-
062S-2023000003	Brand Room Perú S.A.C.	Impresión de Etiquetas	1,495	-
062S-2023000004	Mendoza Arce Yuriko Megumi	Traducción de Sitio Web	3,304	-
062S-2023000005	Silva Santisteban López Mariana	Traducción de Textos	256.96	-
062S-2023000006	Venancio Gratton Micaela Mary	Traducción de Textos - Apr 2022 Phd	8,455	-
062S-2023000007	Silva Santisteban López Mariana	Traducción de Textos	621.28	-
062S-2023000008	Agrometa Loreto E.I.R.L.	Prensa Hidráulica	13,500	-
062S-2023000009	Choclote Martínez Jaime Luis	Servicio de Diseño e Ilustración de Dibujos para el Material de la Infografía de Zonificación	1,000	-
062S-2023000010	Wong Arevalo Roxana Patricia	Servicio de Diagramación e Impresión de Rotafolios,a Metodología SAPPA	6,100	-
062S-2023000011	Loc Comunicaciones Eirl	Servicio de Relaciones Públicas	-	5,000
062S-2023000012	Rodríguez Fernández Isaías	Construcción de 02 Centros De Acopio	39,500	-
062S-2023000013	Rodríguez Fernández Isaías	Fabricación de 40 Módulos De Secado	12,400	-
062S-2023000014	Romero Carpio Doris Virginia	Servicio e Traducción	3,324.24	-
062S-2023000015	Amado Ortiz Renzo	Servicio para el diagnóstico y elaboración de materiales comunicacionales	4,500	-
062S-2023000016	Villaseca Chávez Miguel Ángel Humberto	Gestor Cultural Comunitario en el marco del Proyecto Humedales del Datem del Marañón	3,300	-
062S-2023000017	Romero Carpio Doris Virginia	Servicio de Traducción	5,161.32	-
062S-2023000018	Amaringo Pizango Lia Yajaira	Apoyo técnico para la implementación del sistema de monitoreo del clima	4,400	-
062S-2023000019	Diaz Cachay Atanagildo	Servicio de asistencia técnica, mediante el recojo y sistematización de la información	7,344	-
062S-2023000020	Constructora Y Servicios Generales Conredafi E.I.R.L.	Servicio para la adecuación y obtención de los permisos y licencias municipales y sanitarias	9,100	-
062S-2023000021	De La Cruz Guevara Cindy Lorena	Servicio de soporte técnico a las asociaciones de los bionegocios	3,750	-
062S-2023000022	Lozano Isla Juan Alberto	Servicio de asistencia técnica en la implementación del sistema de monitoreo del clima	7,000	-
062S-2023000023	Estrada Cerna Maibely	Servicio de consultoría para ser líder del kit de gestión del Corredor Achuar	4,000	-
062S-2023000024	Costa Del Sol S A	Servicio de alquiler de espacio para presentación de resultados de estudio de carbono a autoridades y contratación de equipo audiovisual y servicio de catering	5,650	-
062S-2023000025	Quevedo Bardalez Lenin	Servicio de realización y edición de fotografías en la provincia del Datem del Marañón	1,500	-
062S-2023000026	Misaico Producciones S.A.C.	Servicio de Alquiler de mobiliario y brandeo para evento	5,530	--
062S-2023000027	Angelita Multiventas- Construcciones Y Consultores S.A.C.	Servicio de Transporte Fluvial	27,140	-
062S-2023000028	Daniel Wilder Arteaga Rodriguez	Servicio de Transporte Fluvial	26,395	-
062S-2023000029	Angelita Multiventas- Construcciones Y	Adecuación de la Infraestructura del Centro de Producción y Manejo de producción de la Taricaya	21,220	-

Service order	Business name	Description	Amount (S/-)	Amount (USD)
	Consultores S.A.C.			
062S-2023000030	Constructora Y Servicios Generales Conredafi E.I.R.L.	Servicio para la Adecuación y Obtención De Permisos/Licencias Muni Y Sanitarias	26,000	-
062S-2023000031	Brand Room Perú S.A.C.	Capacitación (Proceso, Gestión de Marketing)	8,000	-
062S-2023000032	Lozano Isla Juan Alberto	Servicio de Soporte Técnico a las Asociaciones de Bionegocios en Marcha del PHD	8,000	-
062S-2023000033	De La Cruz Guevara Cindy Lorena	Servicio de soporte técnico a las asociaciones de los bionegocios en marcha y en implementación PHD	3,000	-
062S-2023000034	Akuts Nantip Emer	Servicio de Asistencia técnica para el Fortalecimiento de capacidades organizacionales de TAJIMAT	5,000	-
062S-2023000035	Morales Brown Salvador	Servicio de consultoría para ser líder del Kit Gestión a nivel del Corredor Saramiriza	10,400	-
062S-2023000036	Vasquez Torres Jairo Oyden	Asistencia técnica para el monitoreo de los DEMAs end los bionegocios del corredor BMP.	8,000	-
062S-2023000037	Ingeniería Agroindustrial & Consultores E.I.R.L.	Service para el fortalecimiento de capacitación, uso y manejo de incomes y materiales - Tajimat	9,000	-
062S-2023000038	Ingeniería Agroindustrial & Consultores E.I.R.L.	Service de entrenamiento y acompañamiento en proceso de obtención de derivados de cacao - Tajimat	7,000	-
062S-2023000039	Asociación Productores De Ungurahui Y Aguaje De Pueblos	Servicio para el Fortalecimiento de capacidades en el aprovechamiento sostenible de Ungurahui UB Wee	6,000	-
062S-2023000041	Pacunda Chuin Calixto	Servicio para el fortalecimiento de capacidades, en procesos de preparación de alimento balanceado	2,000	--
062S-2023000042	Estrada Cerna Maibely	Asistencia técnica para el monitoreo de los Demas y Promapes en los bionegocios del corredor Achuar	4,000	-
062S-2023000043	Open Business International Consulting E.I.R.L.	Licencias, hosting, mesa de ayuda y mantenimiento para el uso del PPM Sciforma.	-	1,500
062S-2023000044	Lamitec S.A.C.	Diseño e impresión de Empaque pavonado para paleta de helado medida personalizada	3,900	
062S-2023000045	Vela Lopez Victor Jean Claude	Asistencia técnica para la elaboración del plan de manejo para el aprov. de prod. no maderables DEMA	5,500	
062S-2023000046	Romero Carpio Doris Virginia	Servicio de Traducción	1,609.20	
062S-2023000047	Valles Del Aguila Alen Jhuniór	Asistencia técnica para la gobernanza y gestión sostenible de los recursos naturales	5,500	
062S-2023000048	Velarde Moreno Andres	Servicio de diseño y diagramación de cartillas y libros en el marco del proyecto Humedales del Datem	13,000	
062S-2023000049	Portilla Inga Bryan Rodrigo	Asistencia Técnica en Apicultura	4,500	
062S-2023000050	Daniel Wilder Arteaga Rodriguez	Servicio de alquiler de movilidad fluvial para la visita de los medios de comunicación al Proyecto Humedales	15,500	-
062S-2023000051	Inversiones Y Servicios Generales Joar E.I.R.L.	Servicio de logística para realizar el inventario forestal y contribuir a la diversificación de los bionegocios del corredor BMP y actualización de documentos de gestión de las ACAs de BMP y Bmo	8,700	-
062S-2023000052	Lozano Isla Juan Alberto	Servicio de asistencia técnica para el cierre del proyecto Humedales del Datem	3,000	-
062S-2023000053	Estrada Cerna Maibely	Servicio de acompañamiento técnico y orientativo a la Cooperativa Agraria Achuar SHAKAIM y a la Asociación de Productores y Manejo de Aguaje ASPROMAG, durante el desarrollo de la Expoferia Amazónica 2023	3,550	-
062S-2023000054	Daniel Wilder Arteaga Rodriguez	Servicio de logística para realizar la intervención del kit de gestión de aguaje en el corredor BMP	4,819	-
062S-2023000055	Pasquel Chavez Pio	Servicio logístico para realizar la intervención del kit de gestión del corredor Saramiriza	5,186	-
062S-2023000056	Montoya Leyva Edgar Ivan	Servicio logístico para realizar la intervención del kit de gestión del corredor Saramiriza	883	-
062S-2023000057	Amaringo Pizango Lia Yajaira	Asistencia técnica para el acompañamiento a los bionegocios del corredor de pesca Kandozi	7,500	-
062S-2023000058	Valles Del Aguila Alen Jhuniór	Asistencia técnica para la gobernanza y gestión sostenible de los recursos naturales	13,750	-
062S-2023000059	Estrada Cerna Maibely	Asistencia técnica para el aprovechamiento de recursos no maderables en el marco de los Demas	6,000	-
062S-2023000060	Lozano Isla Juan Alberto	Servicio de Asistencia Técnica para la implementación de los bionegocios del PHD	10,000	-
062S-2023000061	Vasquez Torres Jairo Oyden	Asistencia técnica para el monitoreo de los DEMAs en los bio negocios del corredor BMP	12,500	-



Service order	Business name	Description	Amount (S/-)	Amount (USD)
062S-2023000062	Morales Brown Salvador	Servicio de consultoría para ser líder del Kit Gestión a nivel del Corredor Saramiriza	13,500	-
062S-2023000063	Pontificia Universidad Catolica Del Peru	Servicio de alquiler de salón para la organización de la tercera mesa temática	1,345.20	-
062S-2023000064	Daniel Wilder Arteaga Rodriguez	Servicio logístico para realizar la intervención del kit de gestión de aguaje en el corredor BMP	4,570	-
062S-2023000065	Pasquel Chavez Pio	Servicio de alquiler de transporte fluvial para realizar la intervención al corredor Saramiriza	5,910	-
062S-2023000066	Montoya Leyva Edgar Ivan	Servicio de alquiler de transporte Terrestre para realizar la intervención al corredor Saramiriza	950	-
062S-2023000067	A.W.Corporation S.A.C.	Servicio de Coffe Break para la organización de la tercera mesa temática	2,020	-
062S-2023000068	Jordan Villena Sergio Andre	Servicio de revisión de expedientes de la obra "Suministro e instalación de un sistema fotovoltaico"	2,000	-
062S-2023000069	Romero Carpio Doris Virginia	Servicio de traducción del estudio de percepciones	2,062.19	-
<b>TOTAL</b>			<b>484,761.39</b>	<b>6,500</b>

PROFONANPE

Project "Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru" funded by the Master Accreditation Agreement and the Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE  
Audit of financial statements for the year ended December 31, 2023

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**Annex 3**

**SERVICES WORKS**

FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023

(Expressed in US Dollars in Soles)

<u>Contract</u>	<u>Contractor</u>	<u>Start of work</u>	<u>End of the work</u>	<u>Service detail</u>	<u>Total US\$</u>
0620 – 2023000001	Consultoría e Ingeniería Treyes EIRL	20.04.2023		Planta de agua Nuevo Progreso	<b><u>33,616.32</u></b>

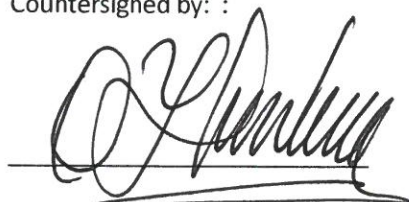
**INDEPENDENT AUDITOR'S OPINION ON THE STATUS OF COMPLIANCE WITH THE CLAUSES OF THE MASTER ACCREDITATION AGREEMENT AND THE ACTIVITY AGREEMENT (GRANT)**

To the members of the Directive Board and Executive Director  
PROFONANPE  
Lima - Peru-

1. We have audited the statement of funds for the period from January 01 to December 31, 2023 and the statement of accumulated investments as of December 31, 2023 for the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru"*, funded by the Master Accreditation Agreement and the Funded Activity Agreement (Grant) signed between the Green Climate Fund and PROFONANPE, and have issued our unqualified opinion on March 27, 2024.
2. We conducted our audit in accordance with the International Standards on Auditing disclosed by the *International Auditing and Assurance Standards Board*, approved for application in Peru by the Board of Deans of Peruvian Colleges of Public Accountants, within the framework of the policies on the audit of entities and projects financed by the International Bank for Reconstruction and Development – IBRD, applicable to compliance auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that PROFONANPE has complied with the terms of the above-mentioned Accreditation Agreement and the Funded Activity Agreement (Grants). An audit includes the examination, based on evidence, of appropriate evidence. We believe that our examination provides a reasonable basis for our opinion.
3. In our opinion, in the period from January 01 to December 31, 2023, PROFONANPE complied in all material respects with the provisions of the Master Accreditation Agreement and the Funded Activity Agreement (Grants) signed with the Green Climate Fund.
4. This report is issued solely for the knowledge and use of PROFONANPE and the Green Climate Fund, so it should not be used by others or for purposes other than those indicated herein.

Lima, Peru  
March 27, 2024

Countersigned by: :



Oswaldo Fonseca Luna (Partner)  
Certified Public Accountant  
Registration N° 8095

*Fonseca, Camargo y Asociados*

**STATUS OF COMPLIANCE WITH THE CLAUSES OF THE MASTER ACCREDITATION AGREEMENT AND FUNDED  
ACTIVITY AGREEMENT (GRANTS) SIGNED BETWEEN THE GREEN CLIMATE FUND AND PROFONANPE  
FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023**

Clause	Description	Evaluation
<b>7</b>	<b>A. Master Accreditation Agreement – AMA</b>	
<b>7.02</b>	<b>Disbursement of GCF benefits to the accredited entity</b> The accredited entity shall ensure that the benefits of GCF and other GCF funds are, unless otherwise agreed, controlled, and held in a GCF account until they are spent for the individual funded activities. The accredited entity shall maintain separate records and general ledger accounts with respect to the GCF benefits and other GCF funds and disbursements from them. When an FAA establishes that the GCF Account for the relevant funded activity will be a bank account, such account will be: (a) separate from the account used for the purpose of other sums of money and funds of the accredited entity; and (b) opened at a bank with a long-term credit rating of BBB+ or higher by S&P or Fitch or Baa1 or higher at Moody's, or otherwise at a bank acceptable to the Fund.	Status: Accomplished PROFONANPE, manages the project funds transferred by the Green Climate Fund in savings accounts at a local bank.
<b>11</b>	<b>Management of funds by the accredited entity</b>	
<b>11.02</b>	The disbursement, administration, and processing of GCF benefits by the Accredited Entity must be in accordance with the rules, policies and procedures of the accredited entity applicable to the extent and scope of its accreditation in order to enable it to meet its obligations under this Agreement.	Status: Accomplished The activities performed during the period under review were authorized in accordance with PROFONANPE's standards and procedures.
<b>15</b>	<b>Documents file and reports</b>	
<b>15.01</b>	The Accredited Entity must ensure that: (c) all documents relating to individual funded activities, including records evidencing the use of GCF benefits in each FAA are retained for at least five (5) years after the relevant Reporting Period or longer required to monitor and manage any capital investment, outstanding loans or other financial instruments or to resolve any claims or audit queries or if required by the Fund;	Status: Accomplished  PROFONANPE, has established a five-year conservation policy on project's income and expenses documents from international cooperation.
<b>15.02</b>	The accredited entity shall provide the Fund with the following reports prepared in a form and manner consistent with the practices and procedures of the Fund for individually funded activities:  (a) APR on the status of each funded activity over the reporting period, including a narrative report on the progress of implementation based on the logical framework presented in the Funding Proposal and considerations on the continued operation of the funded activity against the fund's investment framework criteria. APR shall be submitted to the Secretary on an annual basis for the period ending on December 31 within sixty (60) days after the end of the annual period.	Status: Accomplished



**STATUS OF COMPLIANCE WITH THE CLAUSES OF THE MASTER ACCREDITATION AGREEMENT AND FUNDED  
 ACTIVITY AGREEMENT (GRANTS) SIGNED BETWEEN THE GREEN CLIMATE FUND AND PROFONANPE  
 FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2023**

Reference	Description	Evaluation
<b>17</b>	<b>Financial management; Financial information</b>	
17.01	<p>The Accredited Entity must ensure that:</p> <p>(a) a financial management system is maintained with various disclosures, descriptions and records of the GCF benefits and other GCF funds that are being prepared in accordance with internationally recognized accounting standards, consistently applied and acceptable to the Fund ("Financial Information").</p> <p>(b) The financial information referred to in Articles 17.02(b) and 17.02(c) is then audited annually by independent external auditors or such other auditors as may be acceptable to the Fund in accordance with internationally recognized accounting and auditing standards acceptable to the Fund; the Financial Information so audited is provided to the Fund in accordance with Articles 17.02(b) and 17.02(c), together with such other information relating to the audited financial information and such other auditors as the Fund may from time to time reasonably request.</p>	<p>Status: Accomplished          The project-executing agency has established an appropriate financial management system.</p> <p>Status: Accomplished</p>
<b>Clause 3</b>	<b>B. Funded Activity Agreement (Grants)</b>	
3.05	<p>The Grant: Disbursements</p> <p>The accredited entity shall use the grant exclusively to finance eligible expenses in accordance with AMA, as set forth in the funding proposal and budget.</p>	Status: Accomplished

## INDEPENDENT AUDITOR'S OPINION ON THE INTERNAL CONTROL STRUCTURE

To the members of the Directive Board and Executive Director  
PROFONANPE  
Lima - Peru. -

March 27, 2024

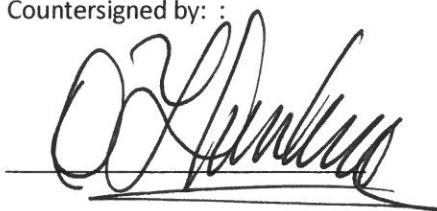
1. We have audited the statement of funds for the period from January 01 to December 31, 2023 and the statement of accumulated investments as of December 31, 2023 for the project *"Building the Resilience of Wetlands in the Province of Datem del Marañon in Peru"*, funded by the Master Accreditation Agreement and the Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE, and have issued our unqualified opinion thereof on March 27, 2024.
2. Our review was conducted in accordance with the International Standards on Auditing disclosed by the International Auditing and Assurance Standards Board and approved for application in Peru by the Board of Deans of Peruvian Colleges of Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements audited do not include material misstatements. In planning and performing our audit of financial statements of the project, we considered the related internal control structure in order to determine our audit procedures for expressing an opinion on the financial statements referred to above and not for expressing an opinion on the internal control structure.
3. PROFONANPE's management is responsible for establishing and maintaining an internal control structure. To fulfill this responsibility, the implementer must make estimates and judgments to evaluate the expected benefits and costs related to the policies and procedures of such structure. The objectives of an internal control system are to provide reasonable, but not absolute, assurance that assets are protected from loss through unauthorized use or disposition, that transactions are conducted in accordance with the authorizations of PROFONANPE and the terms of the aforementioned agreements, in accordance with the basis of accounting described in Note 2 to the financial statements.

## PROFONANPE

4. Due to the inherent limitations of any internal control system, errors and irregularities may occur that are not detected. In addition, projections of any evaluation of the internal control structure into future periods are subject to the risk that procedures may become inadequate due to changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate. There is also the possibility that when control procedures are applied, errors may arise due to inappropriate understanding of the instructions, errors in judgment, lack of attention from staff, human failure, among other factors. Also, procedures whose effectiveness is based on segregation of duties could be circumvented in the event of collusion between employees involved in internal accounting and financial control, as well as procedures aimed at ensuring that transactions are conducted on terms authorized by management, may become ineffective if decisions are made erroneously or irregularly. Therefore, we cannot assure you that all processing errors, deficiencies in the internal control system or non-compliance with applicable regulations were disclosed in the course of our audit and we do not express an opinion as to whether all internal accounting and compliance procedures in place were applied correctly during the year.
5. Our consideration of the internal control structure does not necessarily reveal all aspects of that structure that could be considered material weaknesses. A material deficiency is one in which the design or operation of one or more specific elements of the internal control structure does not reduce to a relatively low level the risk that errors or irregularities in amounts that could be material to the project's financial statements may occur and not be detected by employees in the normal course of their duties. We did not observe any issues with the internal control structure and its operation that we consider to be a significant deficiency as defined above.
6. This report is issued solely for the knowledge and use of PROFONANPE and the Green Climate Fund and should not be used by others or for purposes other than those indicated herein.

Lima, Peru  
March 27, 2024

Countersigned by: :



Oswaldo Fonseca Luna (Partner)  
Certified Public Accountant  
Registration N° 8095

*Fonseca, Camargo y Asociados*

**PROFONANPE**

Project "Building the Resilience of Wetlands in the Province of Datem del Marañon in, Peru" funded by the Master Accreditation Agreement and the Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE  
Audit of financial statements for the year ended December 31, 2023

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Annex N° 4

**SUMMARY OF AUDIT PROCEDURES APPLIED**

The following is a summary of the procedures applied in the review of the project's basic financial statements:

**Objectives**

**Objective N° 1**

Issue an opinion on the project's statement of funds, statement of accumulated investments, notes to the financial statements and supplementary information.

**Specific procedures**

1. Obtaining the project's basic financial statements for the period under review, as follows:
  - a) Statement of funds
  - b) Statement of accumulated investments
  - c) Notes to the financial statements
2. Review of documentation related to project's background and other aspects of resource management that included:
  - Understanding the organizational structure of the Agreement-executing agency, its financial internal control system, internal rules, and regulations applicable to the implementation of funds in the project.
  - Master Accreditation Agreement and Funded Activity Agreement (Grants) signed between the Green Climate Fund and PROFONANPE, applicable regulations, budget, and other related documents.
  - Operational Plan of Activities (POA) approved for 2023.
  - Internal rules and procedures established by PROFONANPE for the selection and hiring of consultants and the acquisition of goods.
3. Obtaining the documents that support the expenses executed with funds from the donation to find out if the documentation of the executing entity is kept in an orderly manner in the files through procedures that ensure the integrity of the information and its easy location.

**Audit of financial statements**

4. The following audit procedures were included in the examination of the statement of funds and the statement of accumulated investments:
  - a) Understanding the internal control system and its components: control environment, risk assessment, control activities, information and communication system and monitoring, from which the material error risk assessment was carried out.

- b) Understanding the accounting policies used for the preparation of the project's financial statements, to establish their application during the reporting period.

#### Source of funds

- 5. We reviewed the project's financial statements which are presented by the project-executing agency in US dollars, in accordance with the following procedures:
  - a) We verified that the project's financial statements were prepared on a cash accounting basis, recognizing income when funds are received and expenses when executed and representing disbursements of funds.
  - b) We verified that transactions in local currency were recorded in the entity's accounting books at the date they occurred and translated into U.S. dollars at the exchange rate prevailing at the date of each transaction.
- 6. We obtained from the project-executing agency's management the details of the funds received during the audited period and checked them against the credits in the relevant bank account.
- 7. We verified the accounting process followed by the project-executing agency for the recording of revenues received and issuance of financial statements in order to establish if they are adequate and are properly documented.

#### Use of funds

- 8. We obtained from the project-executing agency's management the accounting records of disbursements made and selected certain items to review the documentation of expenses made for the purpose of determining whether they were properly classified, properly documented, and applied for the purposes of the project, taking into account the following:
  - a) Eligibility of expenses incurred in accordance with the stipulations set out in the Master Accreditation Agreement and the Funded Activity Agreement (Grants).
  - b) Reliable documentary support, duly authorized and approved, verifying that it includes the conformity of reception of the contracted service.
  - c) Correct accounting and budgetary allocation considering the budget items approved by the donor.
  - d) Application of the current exchange rate for the conversion of local currency transactions into US dollars.
  - e) regarding to the justification of expenses, we verified the compliance with the procedures established internally in the executing entity for the granting, use, presentation, and control of funds.
- 9. We reconciled the use of funds according to the statement of funds with the balances of the statement of accumulated investments.

#### Statement of accumulated investments

- 10. We obtained from the executing entity's management the statement of accumulated investments at the end of the audited period, verifying their accumulation through reports from the institutional accounting system.

11. Taking into account the selection criteria for the selected sample of expenses included in the statement of accumulated investments over the audited period, the following was carried out:
  - a) Determine whether the budget items established were applied to the corresponding lines in the financial statement.
  - b) Reconciliation of the cumulative totals of the period with the relevant accounting records.
12. If differences were established as indicated above, we made the appropriate comparisons.

#### Objective N° 2

Issue an opinion on the notes to the financial statements and supplementary information and whether they have been fairly presented in all material respects.

##### Specific procedures

1. We obtained from the executing agency's management the notes to the financial statements and supplementary information for the period audited.
2. We verified that the notes to the project's financial statements and supplementary information prepared by the project-executing agency describe and/or explain in an appropriate manner the objectives of the Agreement, the accounting policies, the composition of available cash and other items that require it.

#### Objective N° 3

Issue an opinion regarding the compliance of the project-executing agency with the terms of the Agreement.

##### Specific procedures

1. We obtained information from the Project's management regarding the following:
  - Agreement and annexes
  - Guidelines and Terms of Reference for Audits of World Bank-financed Projects.
  - Progress reports; description of the accounting system; policies and procedures for the selection and hiring of consultants and acquisition of assets, as well as any other necessary documentation.
2. Based on the Agreement, we extracted the applicable clauses in order to take them into account in the evaluation.
3. We will prepare a summary certificate for each of the clauses of the Agreement indicating the current status of each one of them (accomplished, in process or pending) at the date of the review.
4. The above document supports our opinion on compliance with the terms of the Agreement as a supplement to the principal opinion on the project's financial statements.

#### Objective N° 4

Issue a report regarding the adequacy of the executing entity's internal control system in relation to the contractual agreement.



## Specific procedures

1. The evaluation of the project's internal control system will be carried out based on the elements and their functioning during the period under review, in accordance with the structure of the COSO Report. For this purpose, aspects relating to organizational structure, information systems, procurement and/or contracting management and financial management will be included.
2. In assessing the control environment of the project-executing agency, consideration shall be given to its organizational structure, line of authority, segregation of duties, policy and procedures for selection and hiring of staff, in particular the following:
  - a. Administrative procedures governing the activities and responsibilities of the resources' financial administration.
  - b. Levels of authority, job descriptions, number, and adequacy of skills of the staff working in the various areas of execution.
  - c. Segregation of functions in financial administration (treasury activities, accounting, and preparation of financial statements).
3. In assessing the aspects relating to control activities, consideration will be given to those relating to the design and implementation of control procedures established by PROFONANPE for the receipt, custody, and payment of funds to establish their suitability for the purposes of the Agreement. Likewise, the evaluation of control procedures for the selection and hiring of consultants required by the project will be aimed at determining whether they were appropriate practices for this purpose.
4. In evaluating the aspects related to the information system, the policies and procedures established by PROFONANPE to record, process, summarize and present financial information were considered, especially the following:
  - a. Adequacy of data processing systems to produce timely and reliable financial and accounting information.
  - b. Ability of the accounting system to verify, control and monitor all sources and uses of project-related funds, including advance transactions received.
  - c. Ability of the accounting system used by the executor to record financial transactions.
5. Evaluation of the monitoring activities performed by PROFONANPE to determine whether they were adequately performed in terms of providing adequate information on the functioning of internal controls and whether appropriate corrective actions were taken to correct the deficiencies identified by the management of the Contract Agreement funds.