

PROFONANPE

**Project “Building the Resilience of Wetlands in the
Provincia of Datem del Marañon, Peru” funded by the
Master Accreditation Agreement and the Funded
Activity Agreement (Grants) concluded between the
Green Climate Fund and PROFONANPE
Audit of financial statements for the year ended
December 31, 2022**

**AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CONTENT

	<u>Page N°</u>
Executive Summary	
• Background	2
• Objectives and audit scope	3
• Audit results	3
• Entity's comments	4
Report on the financial statements of the Master Accreditation Agreement and Funded Activity Agreement (Grants)	
• Independent auditor's opinion	5
• Financial statements	
- Statement of funds	8
- Statement of accumulated investments	9
- Notes to the financial statements	10
Supplementary financial information	
• Independent auditor's report	16
Annex N° 1 - Purchase of goods	17
Annex N° 2 – Consulting services and works	18
Report on compliance with the Master Accreditation Agreement and Funded Activity Agreement (Grants)	
• Independent auditor's report	22
Report on the internal control system	
• Independent auditor's report	25
Annex:	
Annex 3: Summary of the main audit procedures applied	27

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, 2022 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) concluded 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), concluded 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, 2022, 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, 2022 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 – IASB*, 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, 2022. A summary of the audit procedures applied is presented in Annex N° 3 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) concluded between the Green Climate Fund and PROFONANPE for the period from January 01 to December 31, 2022, we issued our audit report on March 24, 2023. A summary of this report is presented below:

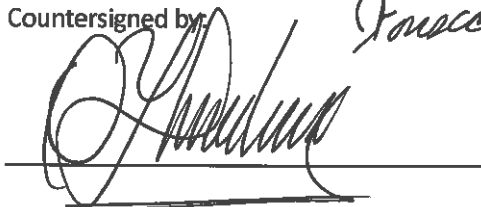
- Unqualified opinion on the statement of funds and the statement of accumulated investments of the project for the period from January 01 to December 31, 2022.
- Unqualified opinion on the supplementary information as of December 31, 2022.
- We believe that PROFONANPE reasonably complied with the terms of the Master Accreditation Agreement and the Funded Activity Agreement concluded with the Green Climate Fund during the period from January 01 to December 31, 2022.
- The internal control report established by PROFONANPE for the period from January 01 to December 31, 2022, 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 24, 2023

Countersigned by



Oswaldo Fonseca Luna
Certified Public Accountant
Registration N° 8095

Fonseca, Camargo & Associates

INDEPENDENT AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

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

March 24, 2023

Opinion

1. We have audited the statement of sources and uses of funds for the period from January 01 to December 31, 2022 and the statement of accumulated investments as of December 31, 2022, 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, 2022, 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.

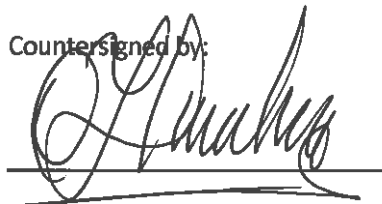
We communicate to those charged with governance of PROFONANPE a statement that we have complied with ethical requirements, including the planned scope and timing of the audit, as well as any deficiencies in internal control identified during the audit.

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, 2022, 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 generally 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 24, 2023

Countersigned by:



Oswaldo Fonseca Luna
Certified Public Accountant
Registration N° 8095

Fonseca, Camargo & Associates

STATEMENT OF FUND
For the period from January 01 to December 31, 2022
(Expressed in US Dollars)

	Notas	Accumulated as of December 31, 2020				From January 1 to December 31, 2021				Accumulated as of December 31, 2021			
		PROFONANPE	KOICA	Green Climate Fund	Total	PROFONANPE	KOICA	Green Climate Fund	Total	PROFONANPE	KOICA	Green Climate Fund	Total
INCOME OF FUNDS:													
Funds Received													
Transfer funds, Project cost	3	-	-	422,528	422,528	-	-	201,472	201,472	-	-	624,000	624,000
Transfers funds, Green Climate Fund	3	-	-	4,249,818	4,249,818	-	-	1,990,182	1,990,182	-	-	6,240,000	6,240,000
Transfers funds, KOICA	3	-	600,000	-	600,000	-	-	-	-	-	600,000	-	600,000
Earned Interests	3	-	-	-	-	-	-	575	575	-	-	575	575
Portfolio withdrawal	3	893,154	-	-	893,154	122,270	-	-	122,270	1,015,424	-	-	1,015,424
Total funds received		893,154	600,000	4,672,346	6,165,500	122,270	-	2,192,229	2,314,499	1,015,424	600,000	6,864,575	8,479,999
USE OF FUNDS BY COMPONENT:													
Total use of funds by component													
00 Financial management	4	-	-	422,528	422,528	-	-	201,472	201,472	-	-	624,000	624,000
01 Strengthening of institutional capacity in government agency	5	194,355	-	440,129	634,484	37,475	-	443,341	480,816	231,830	-	883,470	1,115,300
02 Strengthening of the capacity of community	6	338,565	-	889,997	1,228,562	72,553	-	249,758	322,311	411,118	-	1,139,755	1,550,873
03 Resilience through bio -business	7	154,382	593,347	1,460,834	2,208,563	19,111	5,200	1,005,694	1,030,005	173,493	598,547	2,466,528	3,238,568
04 Science, technology, knowledge and monitoring system and evaluation	8	184,038	-	584,125	768,163	-	-	137,797	137,797	184,038	-	721,922	905,960
Total use of funds by component		871,340	593,347	3,797,613	5,262,300	129,139	5,200	2,038,062	2,172,401	1,000,479	598,547	5,835,675	7,434,701
Accounts to be regularized/exchange difference		(10,293)	(1,471)	(168,323)	(180,087)	(1,001)	19	121,604	120,622	(11,294)	(1,452)	(46,719)	(59,465)
Increase (decrease) in cash		11,521	5,182	706,410	723,113	(7,871)	(5,181)	275,770	262,718	3,650	-	982,181	985,831
Cash at beginning of period		-	-	-	-	11,520	5,181	706,411	723,112	-	-	-	-
Cash at end of period	9	11,521	5,182	706,410	723,113	3,649	-	982,181	985,830	3,650	-	982,181	985,831

The accompanying notes are part of this statement.

STATEMENT OF ACCUMULATED INVESTMENTS
For the period from January 01 to December 31, 2022
 (Expressed in US Dollars)

	Budget Approved				Accumulated as of December 31, 2021				Variations from January 01 to December 31, 2022				Accumulated as of December 31, 2022			
	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
Components:																
00 Financial management	-	-	-	-	-	-	422,528	422,528	-	-	201,472	201,472	-	-	624,000	624,000
01 Strengthening of institutional capacity in government agencies	312,000	-	950,000	1,262,000	194,355	-	440,129	634,484	37,475	-	443,341	480,816	231,830	-	883,470	1,115,300
02 Strengthening the capacity of community institutions	464,000	-	1,940,000	2,404,000	338,565	-	889,997	1,228,562	72,553	-	249,758	322,311	411,118	-	1,139,755	1,550,873
03 Resilience -bio business	192,000	600,000	2,700,000	3,492,000	154,382	593,348	1,460,834	2,208,563	19,111	5,200	1,005,694	1,030,005	173,493	598,547	2,466,528	3,238,568
04 Science, technology, knowledge and monitoring system and evaluation	310,000	-	650,000	960,000	184,038	-	584,125	768,163	-	-	137,797	137,797	184,038	-	721,922	905,960
Total Investments	1,278,000	600,000	6,240,000	8,118,000	871,340	593,348	3,797,613	5,262,300	129,139	5,200	2,038,062	2,172,401	1,000,479	598,547	5,835,675	7,434,701

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, 2022**

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, Kaspa Cocha, Chuinda Cocha, Urirococha and Domingo Cocha, located in the Chuinda ravine on the Pastaza River, a tributary of the Marañón 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
Total	6,240,000	600,000	1,278,000	8,118,000

The term of execution of the Agreement entered into 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.

The Operational Plan of Activities of the project for the year 2022 was approved by the Board of Administration of the project amounted to US \$ 2,007,360.

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			
	<u>Descripción</u>	<u>Green Climate Fund</u>	<u>KOICA</u>	<u>PROFONANPE</u>	<u>Total</u>
12-10-2022	Transfer of funds	1,590,182	-	-	1,590,182
12-10-2022	Transfer / direct payment	159,018	-	-	159,018
15-12-2022	Overhead transfer , 2021	42,379	-	-	42,379
31-12-2022	Overhead, regularization	75	-	-	75
15-12-2022	Foreing transfer	400,000	-	-	400,000
31-12-2022	Interest saving account	575	-	-	575
21-02-2022	Portfolio withdrawal	-	-	9,393	9,393
09-03-2022	Ap 299 withdrawal	-	-	10,974	10,974
06-04-2022	Redemption withdrawal	-	-	3,794	3,794
30-05-2022	Portfolio withdrawal	-	-	49,060	49,060
22-09-2022	Portfolio withdrawal	-	-	9,039	9,039
14-11-2022	Portfolio withdrawal	-	-	40,010	40,010
		<u>2,192,229</u>	<u>-</u>	<u>122,270</u>	<u>2,314,499</u>

4. USE OF FUNDS – FINANCIAL ADMINISTRATION

According to the fourth clause of the Donation Agreement signed between the Green Climate Fund and PROFONANPE, the project administration fee (overhead) that corresponds to the accredited entity comprise US\$ 624,000 and is ten percent of the activity financed by the donation. In the period ended December 31, 2022, PROFONANPE transferred to its institutional bank accounts the amount of US\$ 201,397(US\$ 159,018 – 10/12/2022 and US\$ 42,379 – 12/15/2022).

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

It comprises:

		Expressed in US Dollars		
	<u>Green Climate Fund</u>	<u>PROFONANPE KfW</u>	<u>Total</u>	
002	Goods an services	8,852	-	8,852
003	Consulting	170,564	-	170,564
004	Operational cost	80,968	-	80,968
005	Workshops	7,832	-	7,832
008	Personnel	154,944	37,475	192,419
013	Travel, transport and per diem	19,867	-	19,867
014		314	-	314
		<u>443,341</u>	<u>37,475</u>	<u>480,816</u>

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

It comprises:

	Expressed in US Dollars		
	Green	PROFONANPE	Total
	Climate Fund	KfW	
002 Goods and services	31,105	-	31,105
003 Consulting	79,280	-	79,280
004 Operational cost	85,588	-	85,588
005 Works	4,377	-	4,377
008 Personnel	36,195	72,553	108,748
013 Travel, transport and per diem	13,213	-	13,213
	<u>249,758</u>	<u>72,553</u>	<u>322,311</u>

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

It comprises:

	Expressed in US Dollars		
	Green	PROFONANPE	Total
	Climate Fund	KOICA KfW	
001 Works	277,293	-	277,293
002 Goods and equipment	300,114	-	300,114
003 Consulting	276,372	5,200	281,572
004 Operational cost	139,866	-	139,866
005 Workshops	4,242	-	4,242
008 Personanel	534	19,111	19,645
013 Travel, transport and per diem	7,273	-	7,273
	<u>1,005,694</u>	<u>5,200</u>	<u>1,030,005</u>

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

It comprises:

	Expressed in US Dollars		
	Green	PROFONANPE	Total
	Climate Fund	KfW	
003 Consulting	92,755	-	92,755
004 Operational cost	38,951	-	38,951
008 Personnel	2,708	-	2,708
013 Travel, transport and per diem	3,383	-	3,383
	<u>137,797</u>	<u>-</u>	<u>137,797</u>

9. AVAILABLE AT DECEMBER 31, 2022

It comprises:

	In Soles	In US \$ Dollars
a) Green Climate Fund		
Current account in foreign currency N° 191-72183746-1-73		996,054
Current account in Soles N° 002-191-72183730-0-57	152,813	39,990
		<u>1,036,044</u>
Plus:		
Income regularization		972
		<u>972</u>
Less:		
Varius payments in Soles	123,485	32,388
Varius payments in foreign currency		22,547
		<u>54,835</u>
Available balance at December 31, 2022		<u>982,181</u>
b) KOICA:		
Current account in foreign currency N° 191-2484716-1-49	-	-
Current account in Soles N° 193-1188608-0-39	-	-
Available balance at December 31, 2022	<u>-</u>	<u>-</u>
c) PROFONANPE:		
Current account in Soles N° 193-1192490-1-62		
Master account in foreign currency N° 193-1188608-0-39	24,013	6,282
		<u>6,282</u>
Less:		
Varius payments in Soles	10,113	2,632
Available balance at December 31, 2022		<u>3,650</u>
Total available balance at December 31, 2022		<u>985,831</u>

10. 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.

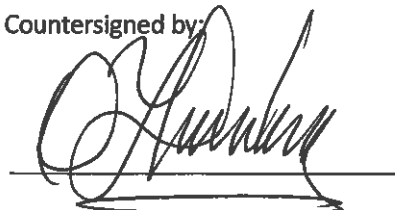
INDEPENDENT AUDITOR'S OPINION ON THE SUPPLEMENTARY INFORMATION

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, 2022 and the statement of accumulated investments as of December 31, 2022 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 24, 2023.
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, 2022 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 and 2 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 24, 2023

Countersigned by:



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

Fonseca, Camargo & Associates

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) concluded between the Green Climate Fund and PROFONANPE
Audit of financial statements for the year ended December 31, 2022

Annex N° 1

PURCHASE OF GOODS
FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2022
(Expressed in US Dollars in Soles)

Number	Supplier	Concept	IN SOLES
062B-2022000002	CONSULTORIA E INGENIERIA TREYES EIRL	Aquisición De 2 Motores Peque Peque - Bionegocio Chocolate Shakaim	5,600.00
062B-2022000003	CONSULTORIA E INGENIERIA TREYES EIRL	Adquisición De 4 Motores Peque Peque - Bionegocio Asproquepd	11,200.00
062B-2022000004	MONTOYA LEYVA EDGAR IVAN	Adquisición De Una Motosierra - Bionegocio Apuapisem	4,450.00
062B-2022000005	AMAZON SPECIALTIES S.A.C.	Adquisición De Una Refinadora De Chocolate, El Marco Del Bionegocio Chocolate Shakaim	18,135.00
062B-2022000006	DIPRENSA SERVICIOS GRAFICOS SOCIEDAD ANONIMA CERRADA - DIPRENSA SERVICIOS GRAFICOS S.A.C.	Impresión De Un Millar De Cuadernillos	5,699.99
062B-2022000007	CONSULTORIA E INGENIERIA TREYES EIRL	Adquisición De 60 Javas De Plástico Y Un Rollo De Plástico Azul - Asociación Charapi	7,200.00
062B-2022000008	FASANANDO DEL AGUILA RIDGER	Adquisición De 4 Botes De Madera - Asproquepd	10,000.00
062B-2022000009	REPRESENTACIONES Y SERVICIOS SDACH E.I.R.L.	Adquisición De Una Embarcación Fluvial Tipo Deslizador	36,000.00
062B-2022000010	REPRESENTACIONES Y SERVICIOS SDACH E.I.R.L.	Adquisición De Un Motor Fuera De Borda 60 Hp	28,300.00
062B-2022000011	REYES CACHIQUE MOZOMBITE	Materiales Para Uso En La Agricultura	6,987.50
062B-2022000012	MONTOYA LEYVA EDGAR IVAN	Adquisición De 04 Balanzas Digital Industrial - Asproquepd	1,880.00
062B-2022000013	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L.	Adquisición De Materiales Y Equipos Para El Taller De Elaboración De Productos De Chocolatería	2,295.00
062B-2022000014	NOVUM SOLAR S.A.C.	Adquisición Del Sistema Solar Fotovoltaico - Peces Sugkas	10,442.90
062B-2022000015	REPRESENTACIONES Y SERVICIOS SDACH E.I.R.L.	Adquisición De 03 Embarcaciones De Aluminio - Adelanto	22,500.00
062B-2022000016	REPRESENTACIONES Y SERVICIOS SDACH E.I.R.L.	Adquisición De 03 Motores Fuera De Borda 15hp - Adelanto	28,500.00
062B-2022000017	GRUPO ABUTECH S.A.C.	20 Gps Garmin 65s-Multi Band Para Mejorar La Capacidad En La Gestión Y Manejo Sostenible Rrnn	35,980.00
062B-2022000018	SELMAN DUGGAR NUNEZ OCANA	Materiales E Insumos Varios Para Procesamiento De Ungurahui	4,912.00
062B-2022000019	COOPERATIVA AGRARIA ACHUAR SHAKAIM LTDA	Adquisición De Plantones De Cacao	16,079.85
062B-2022000020	NEXO EQUIPAMIENTO Y SERVICIOS S.A.C.	Adquisición De 03 Ictiometros	273.20
062B-2022000021	MONTOYA LEYVA EDGAR IVAN	Materiales E Insumos Varios Para Cultivo De Cacao	2,868.00
062B-2022000022	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L.	Adquisición De Equipos De Protección Personal, Señalética, Extintores Y Otros Para La Planta De Procesamiento De Pulpa Y Aceite De Aguaje	21,091.00
062B-2022000023	SERVICIOS GENERALES AGER E.I.R.L.	Kits De Cosecha - Aspromag	9,275.00
062B-2022000024	MULTISERVICIOS CONTASYSTEM S.A.C.	80 Bidones De 20 L, 30 Bidones De 5 L Y 500 Goteros De 30 MI	7,985.00
062B-2022000025	MULTISERVICIOS CONTASYSTEM S.A.C.	50 Bidones De 20 L, 50 Bidones De 5 L Y 500 Goteros De 30 MI	6,600.00
062B-2022000026	YURU SERVICIOS GENERALES S.A.C	02 Vitrina Conservadora	7,000.00
062B-2022000027	NEGOCIOS FORESTALES SAN MARTIN - REFOR SAC	Construcción De Un Vivero Forestal	32,265.70
062B-2022000028	SERVICIOS GENERALES AGER E.I.R.L.	Kits De Cosecha - Aposam	9,932.00
062B-2022000029	YURU SERVICIOS GENERALES SAC	2 Coolers De 45 Litros Y 1 Cooler De 28 Litros	960.00
062B-2022000030	SERVICIOS GENERALES AGER E.I.R.L.	Adquisición De Materiales Para La Implementación De La Línea De Producción Artesanal De La Extracción De Aceite De Ungurahui	12,454.00
062B-2022000031	ACUICOLA SAN JORGE S.A.C.	100 Millares De Larvas Para Peces Amazonicos	8,320.00
062B-2022000032	SERVICIOS GENERALES AGER E.I.R.L.	Útiles De Limpieza - Shakaim	3,251.50
062B-2022000033	GARCIA RUIZ ELVIRA SULY	Alimento Balanceado Para Peces	3,327.80
062B-2022000034	CONSULTORIA E INGENIERIA TREYES EIRL	01 Motor Generador	12,000.00
062B-2022000035	IMPRESIONES Y SERVICIOS GENERALES A&F S.A.C	1 Millar De Manuales	10,800.00
072B-2022000001	YURU SERVICIOS GENERALES SAC	7 Javas De Plástico	140.00
		TOTAL	404,705.44

**CONSULTING SERVICES AND WORKS
 FOR THE PERIOD FROM JANUARY 01 TO DECEMBER 31, 2022
 (Expressed in US Dollars in Soles)**

A. CONSULTING

Contract	Consultant	Contrato		Total	
		Beginning	End	In Soles	US\$
062C-2022000001	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L	10/1/2022	11/4/2022	25,000.00	
ADDENDUM N°01 - PRFNP-C-001-2022 HUMEDALES-062C- 2022000001	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L	12/4/2022	8/6/2022	6,250.00	
062C-2022000002	CINDY LORENA DE LA CRUZ GUEVARA	10/1/2022	11/7/2022	15,000.00	
062C-2022000003	LIA YAJAIRA AMARINGO	10/1/2022	11/7/2022	13,200.00	
062C-2022000004	CRISELL CABEZUDO AGUAYO	10/1/2022	8/6/2022	32,900.00	
062C-2022000005	JAIRO OYDEN VASQUEZ TORRES	10/1/2022	9/6/2022	27,700.00	
062C-2022000006	HERMINIO MANUEL SOPLIN BOSMEDIANO	10/1/2022	9/6/2022	37,700.00	
062C-2022000007	SALVADOR MORALES BROWN	10/1/2022	9/6/2022	37,700.00	
062C-2022000008	JUAN ALBERTO LOZANO ISLA	10/1/2022	11/7/2022	15,000.00	
062C-2022000009	COOPERATIVA AGRARIA ACHUAR SHAKAIM LTDA	14/1/2022	14/4/2022	24,000.00	
062C-2022000010	BERTHA FANUELA HUIÑAPI MUSOLINE	17/1/2022	16/6/2022	15,200.00	
062C-2022000011	SADOC ASANKAI NUGKUM	17/1/2022	18/4/2022	7,700.00	
062C-2022000012	WILIAM PASIGUAN CHANTA	17/1/2022	18/4/2022	7,500.00	
062C-2022000013	KATTIA HUIÑAPI CAPP	20/1/2022	20/6/2022	15,200.00	
062C-2022000014	IGOR ILLICH SANTILLAN SALDAÑA	20/1/2022	20/4/2022	22,500.00	
062C-2022000015	SEGUNDO SIXTO RIOS ARMAS	20/1/2022	20/4/2022	21,600.00	
062C-2022000016	MANUEL YAMPIS JUAN	26/1/2022	28/3/2022	2,000.00	
062C-2022000017	ATANAGILDO DIAZ CACHAY	31/1/2022	2/5/2022	9,000.00	
062C-2022000018	MAURICIO ARTURO ZAVALA SIRI	1/2/2022	1/4/2022	12,000.00	
062C-2022000019	MIGUEL ANGEL HERNANDEZ MACEDO	7/2/2022	9/5/2022	30,000.00	
062C-2022000020	JAIME EDUARDO PEREZ ORTIZ	7/2/2022	9/5/2022	7,500.00	
062C-2022000021	HUGO CORAL MARINA	7/2/2022	9/5/2022	18,000.00	
062C-2022000022	JORGE LUIS SEGUNDO OCMIN PINEDO	14/2/2022	16/5/2022	29,950.00	
062C-2022000023	MARCO ANTONIO ARCE RAMIREZ	14/2/2022	16/5/2022	33,655.00	
062C-2022000024	CHRISTIAN PAÚL ROBALINO VILLA	21/2/2022	21/7/2022	30,000.00	
062C-2022000025	CARMEN SARA GARNIQUE FLORES	21/2/2022	21/6/2022	34,000.00	
062C-2022000026	HUGO FERNANDO ROJAS GONZALES	1/3/2022	29/8/2022		

A. CONSULTING

Contract	Consultant	Contrato		Total	
		Beginning	End	In Soles	US\$
				18,000.00	
062C-2022000027	FERNANDO LOPEZ PEREZ	7/3/2022	6/5/2022	23,240.00	
062C-2022000028	SANDRA IVON MANRIQUE BECERRA	14/3/2022	2/6/2022	28,000.00	
062C-2022000029	RAFAEL RENGIFO DEL CASTILLO	14/3/2022	13/6/2022	37,500.00	
062C-2022000030	ALEN JHUNIOR VALLES DEL AGUILA	28/3/2022	27/6/2022	29,540.00	
062C-2022000031	MAURICIO ARTURO ZAVAleta SIRI	4/4/2022	2/6/2022	20,000.00	
062C-2022000032	NINO BARIOLA GONZALES	18/4/2022	16/6/2022	12,000.00	
062C-2022000033	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L	18/4/2022	18/7/2022	25,000.00	
ADDENDUM N°02 - PRFNP-C-033-2022	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L	23/8/2022	21/11/2022	12,500.00	
062C-2022000034	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L	18/4/2022	18/7/2022	25,000.00	
ADDENDUM N°02 - PRFNP-C-034-2022	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L	23/8/2022	10/11/2022	12,500.00	
062C-2022000035	CARMEN ANGELA ORMEÑO TORRES	21/4/2022	6/6/2022	12,000.00	
062C-2022000036	MAYRA LIZETH SIHUAY PERALES	25/4/2022	24/6/2022	16,000.00	
062C-2022000037	MARIA MILAGROS ALAVA CAMUS	2/5/2022	1/7/2022	7,000.00	
062C-2022000038	IRIS OLINDA ROJAS ERAZO	2/5/2022	1/8/2022	18,000.00	
062C-2022000039	ATANAGILDO DIAZ CACHAY	16/5/2022	15/7/2022	6,000.00	
062C-2022000040	WILIAM PASIGUAN CHANTA	16/5/2022	15/7/2022	5,000.00	
062C-2022000041	FRANK CHRISTIAN FLORES PONCE	16/5/2022	20/7/2022	22,000.00	
062C-2022000042	Segundo Sixto Rios Armas	23/5/2022	22/8/2022	19,500.00	
062C-2022000043	IGOR ILLICH SANTILLAN SALDAÑA	23/5/2022	22/8/2022	19,500.00	
062C-2022000044	ANDREINA DE LA CRUZ CASTAÑEDA	1/6/2022	9/9/2022	27,790.00	
062C-2022000045	MAIBELY ESTRADA CERNA	6/6/2022	5/9/2022	8,400.00	
062C-2022000046	INSTITUTO DE INVESTIGACIONES DE LA AMAZONIA PERUANA - IIAP	1/7/2022	28/12/2022	363,850.00	
062C-2022000047	CRISELL CABEZUDO AGUAYO	13/6/2022	27/6/2022	4,320.00	
062C-2022000048	GIANCARLO RENZO SICCUA ZARATE	13/6/2022	31/10/2022	15,000.00	
062C-2022000049	JHONNY RICHARD AYSANO LOPEZ	13/6/2022	12/9/2022	18,000.00	
062C-2022000050	HERMINIO MANUEL SOPLIN BOSMEDIANO	13/6/2022	12/9/2022	22,500.00	
062C-2022000051	EMER AKUTS NANTIP	13/6/2022	12/9/2022	7,500.00	
062C-2022000052	JAIRO OYDEN VASQUEZ TORRES	13/6/2022	12/9/2022	16,500.00	
062C-2022000053	JOSÉ HERNÁN FLORES MARTÍNEZ	15/6/2022	14/11/2022	37,820.00	
062C-2022000054	MANUEL YAMPIS JUAN	20/6/2022	19/9/2022	3,000.00	
062C-2022000055	SALVADOR MORALES BROWN	20/6/2022	19/9/2022	22,500.00	
062C-2022000056	BERTHA FANUELA HUIÑAPI MUSOLINE	27/6/2022	26/9/2022	9,000.00	
062C-2022000057	KATTIA HUIÑAPI CAPPA	27/6/2022	26/9/2022	9,000.00	

A. CONSULTING

Contract	Consultant	Contrato		Total	
		Beginning	End	In Soles	US\$
062C-2022000058	JALER MANUEL MURAYARI CANAYO	18/7/2022	15/12/2022	10,000.00	
062C-2022000059	ATUK CIA.LTDA	15/7/2022	14/11/2022		18,000.00
062C-2022000060	CINDY LORENA DE LA CRUZ GUEVARA	15/8/2022	14/11/2022	9,000.00	
062C-2022000061	JUAN ALBERTO LOZANO ISLA	15/8/2022	14/11/2022	9,000.00	
062C-2022000062	LIA YAJAIRA AMARINGO PIZANGO	16/8/2022	14/11/2022	6,600.00	
062C-2022000063	ATANAGILDO DIAZ CACHAY	15/8/2022	14/11/2022	9,000.00	
062C-2022000064	NILTON GUERRERO YUPANQUI	22/8/2022	6/10/2022	16,000.00	
062C-2022000065	HUGO FERNANDO ROJAS GONZALES	12/9/2022	12/12/2022	9,000.00	
062C-2022000066	MAIBELY ESTRADA CERNA	12/9/2022	12/12/2022	9,000.00	
062C-2022000067	HERMINIO MANUEL SOPLIN BOSMEDIANO	3/10/2022	19/12/2022	22,500.00	
062C-2022000068	JAIRO OYDEN VASQUEZ TORRES	3/10/2022	19/12/2022	16,500.00	
062C-2022000069	EMER AKUTS NANTIP	3/10/2022	19/12/2022	7,500.00	
062C-2022000070	MAYRA LIZETH SIHUAY PERALES	3/10/2022	19/12/2022	21,000.00	
062C-2022000071	CARMEN SARA GARNIQUE FLORES	3/10/2022	31/1/2023	36,750.00	
062C-2022000072	MARCO AURELIO ROMERO PASTOR	3/10/2022	2/12/2022	15,000.00	
062C-2022000073	CHRISTIAN MANUEL LADRÓN DE GUEVARA BOZA	3/10/2022	2/12/2022	17,000.00	
062C-2022000074	CARMEN ANGELA ORMEÑO TORRES	3/10/2022	2/11/2022	8,750.00	
062C-2022000075	CAFER CONSULTORES E.I.R.L	3/10/2022	2/11/2022	20,000.00	
062C-2022000076	CAFER CONSULTORES E.I.R.L	3/10/2022	2/11/2022	10,000.00	
062C-2022000077	INGENIERIA AGROINDUSTRIAL & CONSULTORES E.I.R.L	5/10/2022	5/12/2022	16,800.00	
062C-2022000078	BERTHA FANUELA HUIÑAPI MUSOLINE	5/10/2022	19/12/2022	8,000.00	
062C-2022000079	CALIXTO PACUNDA CHUIN	5/10/2022	19/12/2022	2,500.00	
062C-2022000080	KATTIA HUIÑAPI CAPP	05/10/2022	19/12/2022	8,000.00	
062C-2022000081	COOPERATIVA AGRARIA ACHUAR SHAKAIM LTDA	05/10/2022	3/1/2023	12,000.00	
062C-2022000082	JORGE LUIS SEGUNDO OCMIN PINEDO	10/10/2022	29/12/2022	23,730.00	
062C-2022000083	ERMETO TUESTA CERRÓN	10/10/2022	9/12/2022	10,260.00	
062C-2022000084	PETER ANDERSON RODRÍGUEZ FLORES	10/10/2022	9/12/2022	10,000.00	
062C-2022000085	SALVADOR MORALES BROWN	10/10/2022	20/12/2022	18,750.00	
062C-2022000086	SEGUNDO SIXTO RIOS ARMAS	10/10/2022	26/12/2022	19,500.00	
062C-2022000087	ALEN JHUNIOR VALLES DEL AGUILA	17/10/2022	16/12/2022	33,700.00	
062C-2022000088	LIZETT GIOVANNA CORTAVARRIA ZARATE	14/11/2022	14/12/2022	8,920.00	
062C-2022000089	JOHNNY HUAMAN RENGIFO	14/11/2022	29/12/2022	10,500.00	
062C-2022000090	CHRISTIAN PAÚL ROBALINO VILLA	14/11/2022	29/12/2022	6,500.00	
062C-2022000091	MARIA MILAGROS ALAVA CAMUS	14/11/2022	14/12/2022		

A. CONSULTING

Contract	Consultant	Contrato		Total	
		Beginning	End	In Soles	US\$
				4,000.00	
062C-2022000092	DARVIN GIL RIOS	14/11/2022	29/12/2022	15,000.00	
062C-2022000093	ERICKA VANESSA GUERRA PISCO	14/11/2022	14/12/2022	6,500.00	
062C-2022000094	ARTURO ONIAS PEZO HIDALGO	14/11/2022	14/12/2022	9,500.00	
062C-2022000095	CAFER CONSULTORES E.I.R.L	14/11/2022	6/3/2023	25,000.00	
062C-2022000096	JUAN ALBERTO LOZANO ISLA	15/11/2022	15/12/2022	3,600.00	
062C-2022000097	WILMER SOLIER QUISPE	28/11/2022	27/2/2023		10,000.00
062C-2022000098	JUAN CARLOS PACHECO FLORES	28/11/2022	12/1/2023	15,900.00	
TOTAL				1,984,975.00	28,000.00

B. WORKS

Contrat	Contractor	Beginning	End	Concept	Total US\$
0620 - 2021000001	CONSORCIO HUMEDALES DEL DATEM	6/12/2021	2/7/2022	CONSTRUCCIÓN INDUSTRIAL EN PUERTO	127,512.28
0620 - 2022000001	CONSORCIO HUMEDALES DEL DATEM	25/3/2022	4/12/2022	CONSTRUCCIÓN UGARTE EN ALFONSO	165,958.00
0620 - 2022000002	CONSORCIO HUMEDALES DEL DATEM	25/3/2022	14/11/2022	CONSTRUCCIÓN PROGRESO EN NUEVO	100,228.50
0620 - 2022000003	CONSULTORÍA E INGENIERÍA TREYES E.I.R.L	15/7/2022	15/12/2022	CONSTRUCCIÓN LORENZO - SHAKAIM EN SAN	63,315.48
TOTAL					457,014.26

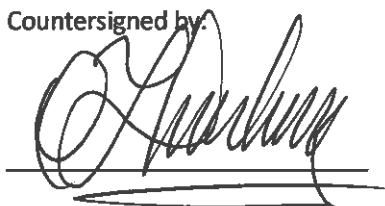
INDEPENDENT AUDITOR'S OPINION ON THE STATUS OF COMPLIANCE WITH THE CLAUSES OF THE MASTER ACCREDITATION AGREEMENT AND THE ACTIVITY AGREEMENT (GRANT)

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, 2022 and the statement of accumulated investments as of December 31, 2022 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 24, 2023
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, 2022, 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 24, 2023

Countersigned by



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

Fonseca, Camargo & Associates

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, 2022

Clause	Description	Evaluation
7	<p>B. Master Accreditation Agreement – AMA</p> <p>Disbursement of GCF benefits to the accredited entity</p> <p>7.02 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.</p>	<p>Status: Accomplished</p> <p>PROFONANPE, manages the project funds transferred by the Green Climate Fund in savings accounts at a local bank.</p>
11	<p>Management of funds by the accredited entity</p> <p>11.02 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.</p>	<p>Status: Accomplished</p> <p>The activities performed during the period under review were authorized in accordance with PROFONANPE's standards and procedures.</p>
15	<p>Documents file and reports</p> <p>15.01 The Accredited Entity must ensure that:</p> <p>(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;</p> <p>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:</p>	<p>Status: Accomplished</p> <p>PROFONANPE, has established a five-year conservation policy on project's income and expenses documents from international cooperation.</p>
15.02	<p>(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.</p>	<p>Status: Accomplished</p>

**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, 2022**

Reference	Description	Evaluation
17	Financial management; Financial information	
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>
Clause 3 3.05	<p>C. Funded Activity Agreement (Grants) The Grant: Disbursements 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>	<p>Status: Accomplished</p>

INDEPENDENT AUDITOR'S OPINION ON THE INTERNAL CONTROL STRUCTURE

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

March 24, 2023


1. We have audited the statement of funds for the period from January 01 to December 31, 2022 and the statement of accumulated investments as of December 31, 2022 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 24, 2023.
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 24, 2023

Countersigned by:



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

Fonseca, Camargo & Associates

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) concluded between the Green Climate Fund and PROFONANPE
Audit of financial statements for the year ended December 31, 2022

Annex N° 3

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 2022.
 - 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) In regard 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 on the basis of 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 in order 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 taken into account, 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.