His Excellency
Dr. Luis Miguel Castilla Rubio
Minister of Economy and Finance
Ministry of Economy and Finance
Jirón Junín 319
Lima, Peru

Re: Peru: IDF Grant for National Results Based Monitoring, Evaluation and Information Project (IDF Grant No. TF096843)

Additional Instructions: AMENDED Disbursement Letter

Excellency:

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of the World Bank’s Institutional Development Fund ("IDF") and the Republic of Peru (the "Recipient") for the above-referenced project, dated September 27, 2010. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Grant No. TF096843 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This letter is a Second Restatement of the Disbursement Letter dated September 27, 2010, for the above-referenced project, restating Section II (vi) to add a designated account for the new implementing agency of the project, UCPS, and restating Section IV with an explanation of the change to the designated account arrangements. This is consistent with the restructuring approved on date June 28, 2012.

All other provisions of the Disbursement Letter dated September 17, 2010, except as amended, shall remain in force and effect.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Financing is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Reimbursement
- Advances
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.
(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition in Article III, Section 3.02 of the Agreement.

**II. Withdrawal of Grant Proceeds**

(i) **Authorized Signatures (subsection 3.1).** A letter should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
1818 H Street, N.W.  
Washington, DC 20433  
United States of America  
Attention: Susan G. Goldmark, Director

(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated below:

Banco Mundial  
Setor Comercial Norte  
Quadra 02, Lote A  
Edificio Corporate Finance Center  
7º andar  
70712-900 Brasilia, D.F.  
Brazil  
Attention: Loan Department

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

(iv) **Terms and Conditions of Use of Tokens to Process Applications.** By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the attached (Attachment 1) *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Tokens"); and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.
(v) **Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications is US$25,000 for Direct Payment and Reimbursement.

(vi) **Advances (sections 5 and 6) to the Unidad Coordinadora de Préstamos Sectoriales (UCPS).**

- **Type of Designated Account (subsection 5.3):** Segregated.
- **Currency of Designated Account (subsection 5.4):** United States Dollars.
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de la Nación del Perú.
- **Ceiling (subsection 6.1):** US$50,000.

### III. Reporting on Use of Financing Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - Summary Statement with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for:
    - Consulting Services with firms under contracts costing US$100,000 equivalent per contract or more;
    - Consulting Services with individuals under contracts costing US$50,000 equivalent per contract or more;
    - Goods and Training costing US$20,000 equivalent or more; and
  - Statement of Expenditure for costs that do not exceed the thresholds established above.

- **For reporting eligible expenditures paid from the Designated Account:**
  - Summary Statement with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for:
    - Consulting Services with firms under contracts costing US$100,000 equivalent per contract or more;
    - Consulting Services with individuals under contracts costing US$50,000 equivalent per contract or more;
    - Goods and Training costing US$20,000 equivalent or more;
  - Statement of Expenditure in for costs that do not exceed the thresholds established above; and
  - A Designated Account activity statement with a copy of the Designated Account Bank statement.

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Quarterly or more often if needed.
IV. Other Disbursement Information

The Grant was originally to be implemented by the General Office of Administration (OGA) within the Recipient’s Ministerial Council (Presidencia del Consejo de Ministros – PCM) with the support of: (i) Technical Secretariat of the Inter-Sectoral Commission of Social Issues (ST-CIAS); (ii) Ministry of Finance (MEF); and (iii) National Statistical Institute (INEI). As a result, the first Designated Account (DA) was opened in the name of the OGA with the approval of ST-CIAS and MEF.

After the restructuring of the project in June 2012, the DA opened in the name of the OGA was closed and a new DA was opened for Unidad Coordinadora de Préstamos Sectoriales (UCPS) that assumed the implementation responsibilities of the project. The UCPS of the Ministry of Economy and Finance (MEF) will have the fiduciary responsibility to implement the project in close coordination with the Ministerio de Desarrollo e Inclusión Social (MIDIS), which will be responsible for the technical execution of the project.

V. Other Important Information


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (http://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact the World Bank Loan Department by sending a message to loa-lcr@worldbank.org and placing the project name and credit number in the subject line.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

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

(same attachments as original DL signed September 27, 2010)

Cc with copies: Director of the General Office of Administration of the Ministerial Council
Ministerial Council
Directorate of the General Office of Administration
Jr. Carabaya Cdra. 1 S/N
Lima, Peru