August 24, 2012

Mr. Alejandro Vílchez de los Ríos
Head
Instituto Nacional de Estadística e Informática
Av. Gral. Garzón 654 – 658 Jesús María
Lima, Peru

Dear Mr. Vílchez de los Ríos:

Re.: PERU: Operationalizing Open Data Access and Improving Quality,
Relevance and Accessibility of Peru’s National Statistics System Project
TFSCB Grant No. TF011183

In response to the request for financial assistance made on behalf of Instituto Nacional de Estadística e Informática (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as administrator of grant funds provided by various donors (“Donors”), under the Trust Fund for Statistical Capacity Building, proposes to extend to the Recipient for the benefit of the Republic of Peru (“Member Country”), a grant in an amount not to exceed two hundred forty thousand United States Dollars (US$240,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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

AGREED:

INSTITUTO NACIONAL DE ESTADÍSTICA E INFORMÁTICA

By: ___________________________
Authorized Representative

Name: Alejandro Vilchez De los Rios

Title: Jefe del INEI

Date: 28 de Agosto de 2012

Enclosures:


2. Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms have the following meanings:

(a) "CIES" means *Consortio de Investigación Económica y Social*, the Member Country’s Research Group for Economics and Social Policy, or any successor or successors thereto.

(b) "INEI" means *Instituto Nacional de Estadística e Informática*, the Member Country’s National Institute of Statistics, established and operating pursuant to Legislative Decree No. 604, dated April 30, 1990 as amended to the date of this Agreement.

(c) "MIMP" means *Ministerio de la Mujer y Poblaciones Vulnerables*, the Member Country’s Ministry of Women and Vulnerable Population, or any successor or successors thereto.

(d) "Social Programs" means a variety of programs and activities carried out by the Recipient designed to improve the living standards and wellbeing of the Member Country’s most vulnerable population.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to increase the Member Country’s capacity for evidence-based policy-making through improving quality, relevance and accessibility of its national statistical systems. The Project consists of the following parts:

Pf.11. **Data Harmonization and Accessibility**

(a) Strengthening the Recipient’s capacity through the design of an efficient data management system which aims at, *inter alia*: (i) integrating and mainstreaming data collected; and (ii) providing easy entry points for accessing said data.

(b) Improving data accessibility through: (i) the carrying out of a diagnostic analysis of the existing data structure; (ii) the identification of procedures necessary for harmonization and linking various databases; (iii) the development of a new interactive system of the data referred to in (a) above; (iv) the development of a technical platform to support the data structure; and (v) the testing of the usability of the final product.
(c) Carrying out training for various agencies and staff of the Member Country, including, the Recipient’s staff as well as selected staff of MIMP, and CIES.

Part II. Measurement of Social Programs

(a) Designing survey modules to collect information on Social Programs and carrying out a pilot of said module; and

(b) Designing an information systems to better integrate administrative data from Social Programs into the interactive system to be created under Part I(b)(iii) above.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants in accordance with the provisions of Section 2.05 of this Agreement.

2.04. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient or other period agreed to the Bank. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
2.0: **Procurement**

(a) **General.** All goods and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods and Non-consulting services;


(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below goods shall be procured under contracts awarded on the basis of National Competitive Bidding subject to the following additional provisions:

(A) Foreign bidders shall not be required to be locally registered as a condition of participation in the selection process.

(B) No reference value shall be required for publication in the bidding documents or used for the purpose of evaluation.

(C) Award of contracts shall be based exclusively on price and, whenever appropriate, shall take into account factors that can be quantified objectively, and the procedure for such quantification shall be disclosed in the invitation to bid.

(D) Foreign bidders shall be allowed to participate in National Competitive Bidding without restriction and shall not be subject to any unjustified requirement which will affect their ability to bid such as, but not limited to, the requirement to authenticate their bidding documents or any documentation related to such bidding documents with either Recipient Consulates, the Ministry of Foreign Affairs, or any Recipient authorities as a prerequisite of bidding.

(E) The Recipient shall utilize standard bidding documents satisfactory to the World Bank.
(ii) The following methods, other than National Competitive Bidding, may be used for procurement of goods: (A) Shopping; (B) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection subject to the additional provisions:

(A) Foreign consultants shall not be required to be locally registered as a condition of participation in the selection process.

(B) Foreign consultants shall not be required to authenticate any documentation related to their participation in the selection process with Recipient Consulates, the Ministry of Foreign Affairs, or any Peruvian authorities as a condition of participation in said selection process.

(C) The Recipient shall use standard requests for proposals and standard evaluation formats; all satisfactory to the World Bank.

(D) Foreign consultants, either individuals or firms, shall not be required to pay fees to the Member Country's consultants' association that are different from those required for Member Country's consultants.

(E) No consultant hired for the Project, at the time he or she is carrying out his or her contractual obligations as consultant, may hold civil service office or any other position in any agency of the Recipient, nor shall such consultant have any right to re-entry into any such office or position upon the conclusion of his or her consulting services.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which the Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection; (F) Selection of Individual Consultants; and (G) Sole Source Procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: the first contract to be awarded in accordance with each procurement method and all contracts awarded on the basis of Direct Contracting for goods and Non-consulting services, and Sole Source for the selection of consultants. All other contracts shall be subject to Post Review by the World Bank.
Article III
Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consulting services, including audits</td>
<td>85,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training</td>
<td>35,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Operating Costs (under Part II (a) of the Project)</td>
<td>120,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>240,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

(b) For the purposes of this Section the term:

(i) “Operating Costs” means reasonable recurrent expenses incurred on account of Project implementation, including office equipment and supplies, reasonable commercial banking charges and fees, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, *per diem* and supervision costs; and

(ii) “Training” means training conducted in the territory of the Member Country, including purchase and publication of training materials, rental of facilities, course fees, and travel and subsistence of trainees.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 2, 2014.
Article IV
Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Head of the *Instituto Nacional de Estadística e Informática*.

4.02. **Recipient's Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

*Instituto Nacional de Estadística e Informática*
Av. Gral. Garzón 654 - 658, Jesús María
Lima-Perú

Telephone: (511) 433 3126, (511) 203 9210, (511) 433 8284
Facsimile: (511) 433 3126

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391