



OFFICIAL DOCUMENTS

ALBERTO RODRÍGUEZ
Director
Bolivia, Chile, Ecuador, Peru and Venezuela

June 7, 2017

His Excellency
Mr. Alfredo Thorne
Minister of Economy and Finance
Ministry of Economy and Finance
Jr. Junín 319
Lima, Peru

Excellency,

*Re: IBRD Loan 8226-PE (PERU Basic Education Project)
Additional Instructions: Second Amendment to the Disbursement Letter*

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “Bank”) and the Republic of Peru (the “Borrower”) for the above-referenced project, dated July 1, 2013. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8226-PE (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions. Copies of this letter together with the attachments should be sent to all staff involved in the process of preparing withdrawal applications for this Project.

This letter is the Second Restatement of the Disbursement Letter dated July 1, 2013 and amended on September 17, 2015 restating Section V and Attachment 2 with information on the Disbursement-Linked Indicators arrangements and updating the version of the World Bank Disbursement Guidelines (Attachment 1). All other provisions and attachments of the Disbursement Letter dated July 1, 2013 and restated on September 17, 2015, except as amended, shall remain in force and effect.

The attached *World Bank Disbursement Guidelines for Projects*, dated February 2017, (“Disbursement Guidelines”) (Attachment 1) are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan 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 Loan:

- Reimbursement

Av. Alvarez Calderón 185, Piso 7, San Isidro, Lima 27, Perú
Telf. (511) 622-2300

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.7). Please refer to the Disbursement Condition(s) in Schedule 2, Section IV, B of the Loan Agreement.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1).

An authorized signatory 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, NW
Washington D.C., 20433, USA
Attention: Alberto Rodriguez, Country Director

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

Banco Mundial
Sector Comercial Norte
Quadra 02, Lote A
Edificio Corporate Finance Center, 7 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 credentials ("SIDC") 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 SIDC 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 SIDC to Process Applications. By designating officials to accept SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions of Use of Credentials”) provided in Attachment 1; and (b) to cause such official to abide by those terms and conditions.

III. Reporting on Use of Loan Proceeds

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

- ***For requests for Reimbursement:***
 - Disbursement Linked Indicator (DLI) Verification Letter, prepared in accordance with the provisions established in the Operational Manual and the additional instructions provided Section IV of this Letter; and
 - Custom Disbursement Report, prepared in the accordance with the provisions established in the Operational Manual and the additional instructions provided Section IV of this Letter.

IV. Other Disbursement Instructions

DLI Verification Letter. This letter should be prepared by the authorized representative of the Borrower’s Ministry of Education (MINEDU) and should include at a minimum, the following information:

- Confirmation of DLIs achieved and not achieved.
- Total amount of DLIs achieved less amount of DLIs not achieved.
- Aggregate amount of Budget Execution during the Period.
- Copy of the most recent report from Independent Verification Agent per Schedule 2, Section B, 3.

Custom Disbursement Report. This report will be generated from the Borrower’s own financial system, the *Sistema Integrado de Administración Financiera* (SIAF, Country’s Integrated Financial Management System) and reflected in the budget allocated to the selected Eligible Budget Activities (EBA) and amounts paid (girado) for the period.

V. Disbursement-Linked Indicators (DLIs)

Details of the Disbursement-Linked Indicators are described in Table provided in Attachment 2.

VI. Other Important Information

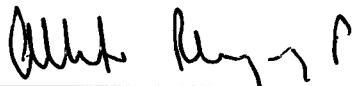
For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <http://clientconnection.worldbank.org>. Print copies are available upon request.

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 Loan, 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 Maria Virginia Hormazabal (mhormazabal@worldbank.org) and placing the project name and loan number in the subject line.

Very truly yours,

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By: 

Alberto Rodriguez

Country Director

Bolivia, Chile, Ecuador, Peru and Venezuela

Attachments

1. World Bank Disbursement Guidelines for Projects, dated February 2017
2. Disbursement-Linked Indicators