August 15, 2019

His Excellency
Carlos Augusto Oliva Neyra
Minister of Economy and Finance
Ministry of Economy and Finance
Lima, Perú

Re: IBRD Loan 8740-PE: Integrated Water Resources Management in Ten Basins Project
Additional Instructions: First Amendment of 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 September 25, 2017. The Loan Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8740-PE (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This is the first amendment of the Disbursement Letter dated September 25, 2017 for the above referenced project. This letter restates Section II.(vi) to increase the ceiling of the designated account from USD 1,000,000 to USD 3,000,000. All other provisions and attachments of the Disbursement Letter dated September 25, 2017, except as amended, shall remain in force and effect.

The Disbursement Guidelines for Investment Project Financing, dated February 2017, (“Disbursement Guidelines”) 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.

1. Disbursement Arrangements

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

- Reimbursement
- Advances
- Direct Payments
(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 Bank.

II. Withdrawal of Loan Proceeds

(i) **Authorized Signatures (subsection 3.1).** An authorized signatory letter should be furnished to the 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).** Completed Applications for withdrawal should be submitted together with supporting documents, through the World Bank’s Client Connection, web-based portal, following the instructions for electronically delivery. In the case the Borrower does not have internet access, the World Bank may permit the delivery of Applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

Banco Mundial  
SCN, Quadra 02, Lote A  
Ed. Corporate Financial Center, 7\(^{th}\) Andar  
70712-900 Brasilia, D.F., Brazil  
Attention: Loan Operations

(iii) **Electronic Delivery (subsection 3.4)** The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank’s Client Connection, web-based portal. The option to deliver Applications to the 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 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 Bank agrees, the 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 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 use 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 Secure Identification Credentials"); and (b) 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$ 500,000 for Direct Payments and Reimbursements.

(vi) Advances (sections 5 and 6) to EU-002 Modernización de la Gestión de los Recursos Hídricos

- Type of Designated Account (subsection 5.3): Segregated
- Currency of Designated Account (subsection 5.4): United States Dollars (USD)
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Banco de la Nación
- Ceiling (subsection 6.1): USD 3,000,000

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, Advances and reporting eligible expenditures paid from the Designated Account:
  - Statement of Expenditures for all expenditures;
  - Designated Account Activity Statement with a copy of the Designated Account Bank Statement applicable only when reporting eligible expenditures paid from the Designated Account.

- 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 Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank’s website (http://www.worldbank.org/) and “Client Connection”. The Bank recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the
website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at askloans@worldbank.org, using the above Project name and Loan number as a reference in the subject line.

Sincerely,

[Signature]

José C. Janeiro
Senior Finance Officer
WFACS – Loan Operations