Ms. Sisana Villaran  
Mayor of Lima  
Conde de Superunda 141  
Cercado de Lima  
Lima, Peru

PERU: Mainstreaming Inclusive Design and Universal Mobility in Lima Project  
PHRD Grant No. TF011295  

Additional Instructions: Disbursement Letter

Dear Madam,

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by Japan under the Human Resources Development Fund (PHRD), and the Municipality of Lima (the "Recipient") for the above-referenced Project, dated July 24, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF011295 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("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 Grant 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 Grant Agreement. Any changes to this date will be notified by the World Bank.
II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) 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  
Sector 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 Recipient 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 Recipient 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 Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient 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 Recipient 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 Recipient.

(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 Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the 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”) provided in Attachment 3; 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$30,000 for Direct Payment and Reimbursement.

(vi) Advances (sections 5 and 6) to Instituto Metropolitano Protransporte de Lima (PROTRANSPORTE).
- Type of Designated Account(s) (subsection 5.3): Segregated.
- Currency of Designated Account(s) (subsection 5.4): United States Dollars.
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Banco de la Nacion.
- Ceiling (subsection 6.1): US$250,000.

III. Reporting on Use of Grant Proceeds

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

- For requests for Reimbursement:
  o Summary Statement in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for:
    ➢ Good, Works and Training under contracts costing US$100,000 equivalent per contract or more;
    ➢ Consulting Services with firms under contracts costing US$150,000 equivalent per contract or more;
    ➢ Consulting Services with individuals under contracts costing US$50,000 equivalent per contract or more; and
  o Statement of Expenditure in the form attached (Attachment 5) for costs that do not exceed the thresholds established above.

- For reporting eligible expenditures paid from the Designated Account:
  o Summary Statement in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for:
    ➢ Good, Works and Training under contracts costing US$100,000 equivalent per contract or more;
    ➢ Consulting Services with firms under contracts costing US$150,000 equivalent per contract or more;
    ➢ Consulting Services with individuals under contracts costing US$50,000 equivalent per contract or more;
  o Statement of Expenditure in the form attached (Attachment 5) for costs that do not exceed the thresholds established above; and
  o A Designated Account activity statement in the form attached (Attachment 6), 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.
IV. 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 Grant 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 grant number in the subject line.

Yours sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

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

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
3. Terms and Conditions of Use of Tokens
4. Summary Statement without supporting documentation
5. Statement of Expenditure with supporting documentation
6. Designated Account Activity Statement