Re: IBRD Loan 7961-PE (PERU Results in Nutrition Project)

Additional Instructions: AMENDED Disbursement Letter

Excellency,

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 5, 2011. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 7961-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 a Second Restatement of the Disbursement Letter dated July 5, 2011, for the above referenced project, restating Sections II (ii) and (v), Section III to reflect the revised disbursement report, and attaching a revised Attachment 4, the disbursement report format. This is consistent with what has been agreed in the aide memoire dated April 24, 2013. All other provisions and attachments of the Disbursement Letter dated July 5, 2011, 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 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 Financing:

- Reimbursement

(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 Financing 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, NW  
Washington D.C., 20433, USA  
Attention: Susan G. Goldmark, 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  
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 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 for Reimbursement is US$500,000.

III. Reporting on Use of Financing Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal in the disbursement report format attached (Attachment 4) and as set out below:

1) Output Payments – Categories 1(a) & 1 (b)

For Categories 1(a) & 1 (b) a list Output Payments as approved from the borrower government’s information system and calculated as follows.

Category 1(a) will use Formula IA – Formula IA means the following formula: the unit cost (as updated from time to time with the Bank’s prior written approval) of the activities listed in the Operational Manual required for the affiliation of children younger than 12 months to Juntos multiplied by Indicator IA.

Category 1(b) will use Formula IB - Formula IB means the following formula: the unit cost (as updated from time to time with the Bank’s prior written approval) of the activities listed in the Operational Manual required for the verification of the health co-responsibilities for children younger than 36 months already affiliated to Juntos multiplied by Indicator IB.

2) Capitation Payments – Category 2

Each Health Facility Capitation Payment will list the annual fixed and a variable amounts and applying Formula II as follows and as further illustrated in the table:

(a) for the first twelve months of the Project after Effectiveness: the amount resulting from adding the sum of multiplying the amount of 50% of the Health Facility Capitation Payments by the number of Eligible Health Facilities and the sum of multiplying the amount of 50% of Health Facility Capitation Payments by the number of Enrolled Health Facilities;

(b) for the following twelve months after the period referred to in sub-paragraph (a) above: the amount resulting from adding the sum of multiplying the amount of 50% of Health Facility Capitation Payments by the number of Enrolled Health Facilities and the sum of multiplying the amount of 50% of Health Facility Capitation Payments by Indicator II; and
(c) for the following thirty six months after the period referred to in sub-paragraph (b) above: the amount resulting from multiplying the amount of 100% of Health Facility Capitation Payments by Indicator II.

Modalities for annual transfer of the Health Facility Capitation Payment (revised)

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</tr>
</thead>
<tbody>
<tr>
<td>Fixed</td>
<td>50%</td>
<td>List of eligible health facilities located in districts registered by JUNTOS in SIGA with activities under lines 33251, 33254, and 33255.</td>
<td>50%</td>
<td>List of enrolled health facilities that registered their budget and fiscal objectives in SIGA for the following lines: 33251, 33254, and 33255.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable</td>
<td>50%</td>
<td>List of eligible health facilities located in districts registered by JUNTOS in SIGA with activities under lines 33251, 33254, and 33255.</td>
<td>50%</td>
<td>Coverage indicators - CRED (100%) - Immunization* - Community based activities*</td>
<td>80% Coverage indicators (as defined in the Operation Manual) with these weights - CRED (100%) - Immunization* - Community based activities *</td>
<td>20% Simultaneous coverage (at least 30%) on these indicators - CRED - Immunization* - Community based activities *</td>
</tr>
</tbody>
</table>

* 0% until data base established that permits verification.

3) **Output Payments – Category 3**

For Categories 3 Output Payments will list the amount of eligible output payment as follows.

**Category 3(a) will use Formula IIIA** – Formula IIIA means the following formula: the unit cost (as updated from time to time with the Bank’s prior written approval) of the activities listed in the Operational Manual required for the implementation of SIGA in each Executing Unit multiplied by Indicator IIIA.
Category 3(b) will use Formula IIIB - Formula IIIB means the following formula: the unit cost (as updated from time to time with the Bank’s prior written approval) of the activities listed in the Operational Manual required for the installation of a social monitoring nutrition mechanism in each municipality within a Regional Government multiplied by Indicator IIIB.

Category 3(c) will use Formula IIIC - Formula IIIC means the following formula: the unit cost (as updated from time to time with the Bank’s prior written approval) of the activities listed in the Operational Manual required for the establishment of a monitoring system of the capacity of Health Facilities to deliver quality health and nutrition services Health Facility multiplied by Indicator IIIC.

Category 3(d) will use Formula IIID - Formula IIID means the following formula: the unit cost (as updated from time to time with the Bank’s prior written approval) of the activities listed in the Operational Manual required for the early affiliation of newborns (i.e. children younger than 12 months) to SIS multiplied by Indicator IIID.

Category 3(e) will use Formula IIIE - Formula IIIE means the following formula: the unit cost (as updated from time to time with the Bank’s prior written approval) of the activities listed in the Operational Manual required for the verification of CRED information for children younger than 36 months multiplied by Indicator IIIE.

IV. Other Disbursement Instructions

Retroactive Financing

Retroactive Financing will be available for payments made prior to the date of the Loan Agreement, except that withdrawals up to an aggregate amount not to exceed $5,000,000 equivalent made for payments made within twelve months prior to the date of the Loan Agreement for Categories (1), (2) and (3).

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 loan number in the subject line.

Yours sincerely,

[Signature]

Patricia Hoyes
Senior Finance Officer
World Bank Loan Department
Attachments
2. Form for Authorized Signatures
3. Terms and Conditions of Use of Tokens
4. Sample disbursement report (revised)

Cc with copies:  
**Mr. Carlos Oliva**  
Vice Minister of Finance  
Ministry of Economy and Finance

**Mr. Carlos Linares**  
General Director  
General Directorate of Public Indebtedness and Treasury  
Ministry of Economy and Finance

**Mr. Rodolfo Acuña**  
General Director  
General Directorate of Public Budget  
Ministry of Economy and Finance

**Mr. Armando Calderon**  
Director, Thematic Budget  
General Directorate of Public Budget  
Ministry of Economy and Finance

**Ms. Rosario Caceres**  
Chief  
Coordination Unit of Sectorial Loans  
Ministry of Economy and Finance
[DATE]

The World Bank

Dear [Country Director]:

Re: Financing No. _____-____ (_____________ Project)

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "Association") and [name of Recipient] (the "Recipient"), dated ________, providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Financing.

For the purpose of delivering Applications to the Association, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

This confirms that the Recipient is authorizing such persons to accept Tokens and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications.

1 Instruction to the Recipient: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the Association.

2 Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the Association.

3 Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the Association.

4 Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the Association.

5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Tokens and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the Association.
Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens"), the Recipient represents and warrants to the Association that it will deliver to each such person a copy of the Terms and Conditions of Use of Tokens and will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position] Specimen Signature: ________________

[Name], [position] Specimen Signature: ________________

[Name], [position] Specimen Signature: ________________

Yours truly,

/ signed /

[Position]
Terms and Conditions of Use of Secure Identification Devices
in connection with Use of Electronic Means to Process Applications
and Supporting Documentation

January 20, 2010

The World Bank (Bank)\textsuperscript{6} will provide secure identification devices (Tokens) to permit the Borrower\textsuperscript{7} to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide Tokens to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC) website (https://clientconnection.worldbank.org) prior to delivery of Tokens. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Distribution, Initialization and Return of Tokens.

1. The Bank will physically deliver a Token to each Signatory in a manner to be determined by and satisfactory to the Bank.

2. At the time of delivery of a Token to a Signatory, the Signatory will receive a copy of these Terms and Conditions of Use for purposes of initializing the Token.

3. The Bank will verify that the Token, Temporary Password and Terms and Conditions of Use have been duly delivered to and received by the CC User.

4. Promptly upon receipt of the Token and Terms and Conditions of Use, the Signatory will access CC using his/her account name and CC Password and register his/her Token and set a personal identification number (PIN) to be used in connection with the use of his/her Token, after which the Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of...

\textsuperscript{6}“Bank” includes IBRD and IDA.
\textsuperscript{7}“Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
the Token, the Signatory will be a "Token User". The Bank will maintain in its
database a user account (Account) for each Token User for purposes of managing the
Token of the Token User. Neither the Borrower nor the Token User will have any
access to the Account.

5. Prior to first use of the Token by the Token User for delivering Applications, the
Borrower shall ensure that the Token User has received training materials provided
by the Bank in use of the Token.

6. Tokens shall be promptly returned to the Bank upon request of the Bank.

C. Management of Tokens.

1. Tokens will remain the property of the Bank.

2. Use of the Token is strictly limited to use in the delivery of Applications by the
Token User in the manner prescribed by the Bank in the Agreement(s) and these
Terms and Conditions. Any other use of the Token is prohibited.

3. The Bank assumes no responsibility or liability whatsoever for any misuse of the
Token by the Token User, other representatives of the Borrower, or third parties.

4. The Borrower undertakes to ensure, and represents and warrants to the Bank (such
representation and warranty being expressly relied upon by the Bank in delivery of a
Token to each Token User) that each Token User is provided, understands and will
abide by, these Terms and Conditions of Use, including without limitation the
following:

Security

4.1. The Token User shall not reveal his/her PIN to anyone or store or record the PIN in written
or other form.

4.2. The Token User shall not allow anyone else to utilize a Token to deliver an Application to
the Bank.

4.3. The Token User shall always logout from CC when not using the system. Failure to
logout properly can create a route into the system that is unprotected.

4.4. If the Token User believes a third party has learned his/her PIN or has lost his/her Token
he/she shall immediately notify clientconnection@worldbank.org.

4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of
any lost, stolen or compromised Tokens, and take other reasonable steps to ensure such
Tokens are disabled immediately.
Care of Tokens

4.6. Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Token.

4.7. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care Tokens are available at http://www.rsa.com.

5. Replacement

5.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Tokens will be replaced at the expense of the Borrower.

5.2. The Bank reserves the right, in its sole discretion, not to replace any Token in the case of misuse, or not to reactivate a Token User’s Account.

6. Reservation of Right to disable Token

6.1. The Borrower shall reserve the right to revoke the authorization of a Token User to use a Token for any reason.

6.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a Token, de-activate a Token User’s Account or both.
INFORME DE DESEMBOLSO

correspondiente al AÑO que cubre el período de 01 DE ENERO DE _______ al 31 DE DICIEMBRE DE _______.

<table>
<thead>
<tr>
<th>Categoría*</th>
<th>Componentes/Indicadores</th>
<th>Monto de préstamo asignado**</th>
<th>Costo Unitario$</th>
<th>Estado de Ejecución por año para propósito de Desembolsos</th>
<th>Acumulado total a la fecha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1(a)</td>
<td>swap01</td>
<td>Número de niños menores de 12 meses que están afiliados al Programa Juntos.</td>
<td>3,600,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1(b)</td>
<td>swap02</td>
<td>Número de niños menores de 36 meses afiliados a Juntos cuyo número de atenciones CRED recibidas entre el número de atenciones esperadas para la edad es mayor a 50%</td>
<td>1,900,000</td>
<td></td>
<td></td>
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</table>
**INFORME DE DESEMBOLSO**

correspondiente al AÑO que cubre el período de 01 DE ENERO DE ______ al 31 DE DICIEMBRE DE ______.

<table>
<thead>
<tr>
<th>Código</th>
<th>Descripción</th>
<th>Cantidad</th>
<th>Población</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>swap03</td>
<td>Listado establecimientos de salud ubicados en los distritos Juntos registrados en la base de datos del SIGA que tienen asignados los productos 33251, 33254 y 33255.</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>swap04</td>
<td>Listado de establecimientos de salud que registraron en su programación, presupuesto y meta física en el SIGA para los productos 33251, 33254 y 33255.</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>swap05a</td>
<td>Número de establecimientos de salud que tienen capacidad resolutiva para una cobertura adecuada de atenciones CRED para niños menores de 12 meses.</td>
<td>2</td>
<td>5,500,000</td>
<td></td>
</tr>
<tr>
<td>swap05b</td>
<td>Número de establecimientos de salud que tienen capacidad resolutiva para una aplicación de vacunas para niños menores de 12 meses.</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>swap05c</td>
<td>Número de establecimientos de salud que tienen capacidad resolutiva para una cobertura adecuada de brindar sesiones demostrativas para hogares con niños menores de 12 meses.</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Gobierno de la República de Peru  
Proyecto "Cierre de Brechas en Productos Priorizados dentro del Programa Articulado Nutricional"  
Convenio de Préstamo N° 7961 - PE

**INFORME DE DESEMBOLOSO**

correspondiente al AÑO que cubre el período de 01 DE ENERO DE ______ al 31 DE DICIEMBRE DE ______.

<table>
<thead>
<tr>
<th></th>
<th>swap06</th>
<th>5,300,000</th>
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<tbody>
<tr>
<td>3(a)</td>
<td>Unidades Ejecutoras que tienen implementado el módulo de patrimonio y logística del SIGA.</td>
<td></td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>swap07</th>
<th>4,400,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>3(b)</td>
<td>Distritos del primer quintil de los departamentos de Amazones, Cajamarca, y Huánuco con monitoreo social instalado referido a la cobertura de niños con CRED y vacunas.</td>
<td></td>
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</tbody>
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<tr>
<th></th>
<th>swap08</th>
<th>2,000,000</th>
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</thead>
<tbody>
<tr>
<td>3(c)</td>
<td>Número de establecimientos de salud que tienen capacidad de ofrecer una cobertura adecuada de atenciones CRED para niños menores de 12 meses.</td>
<td></td>
</tr>
</tbody>
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<table>
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<tr>
<th></th>
<th>swap09</th>
<th>1,200,000</th>
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</thead>
<tbody>
<tr>
<td>3(d)</td>
<td>Número de niños menores de 12 meses afiliados al SIS.</td>
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</tr>
</tbody>
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<table>
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<tr>
<th></th>
<th>swap10</th>
<th>1,100,000</th>
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<tbody>
<tr>
<td>3(e)</td>
<td>Número de microredes que han sido verificadas de manera muestral en su capacidad de generar el dato de CRED completo de manera consistente entre el SIS y los registros administrativos del EESS.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>25,000,000</th>
</tr>
</thead>
</table>

a/ Según Carta de Desembolso.

b/ Según el Convenio de Préstamo

c/ Según la última actualización de los costos unitarios.

d/ Para calcular el valor de desembolso, los resultados de estos indicadores son ponderados de acuerdo a los valores establecidos en el Manual de Operaciones.