Loan Agreement

(Social Inclusion Technical Assistance Project)

between

REPUBLIC OF PERU

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated January 15, 2013
LOAN AGREEMENT

Agreement dated January 15, 2013, between REPUBLIC OF PERU ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of ten million Dollars ($10,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Borrower’s Minister of Economy and Finance or the Borrower’s Director of Indebtedness and Public Treasury (DGETP), or any person whom any of them shall designate in writing.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than 60 days after the Effective Date.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
2.05. The Payment Dates are March 15 and September 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

**ARTICLE III — PROJECT**

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry the Project, through UCPS, with the technical participation of MIDIS, pursuant to the provisions of the Inter-institutional Agreement, and in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following, namely that the MIDIS Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of Borrower to perform any of its obligations under this Agreement.

4.02. The Additional Events of Acceleration consist of the following, namely that the event specified in Section 1.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Inter-institutional Agreement has been signed by the parties thereto.

5.02. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Bank’s approval of the Loan which expire on June 13, 2014.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its Minister of Economy and Finance, provided that the Borrower’s Director of Indebtedness and Public Treasury may, by him or herself, represent the Borrower to sign amendments to this Agreement which are considered of an administrative and non-financial nature. The signing by such Director of an amendment shall constitute a representation by the Borrower that any such amendment is considered to be administrative and non-financial in nature.

6.02. The Borrower’s Address is:

Ministry of Economy and Finance
Jr. Junín 319
Lima, Peru
Facsimile: (511) 626-9921
6.03. The Bank's Address is:

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

Cable address: INTBAFRAID
Telex: 248423 (MCI) or 1-202-477-6391
Facsimile: 641-5 (MCI)

AGREED at Lima, Peru, as of the day and year first above written.

REP JBLIC OF PERU

By

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to strengthen MIDIS’ systems and capacity to improve the performance of MIDIS’ Programs and to monitor the Borrower’s social inclusion policy.

The Project consists of the following parts:

Part 1. Quality Improvement of MIDIS’ Programs

Provision of support to design and pilot activities aimed at improving the quality control of MIDIS’ Programs by:

1. Developing user’s participation and accountability mechanisms for the MIDIS’ Programs, through, *inter alia*: (i) the development of culturally adequate norms, standards, protocols, didactic materials and communication tools to promote transparency and accountability at the school and district level for Qali Warma; (ii) the development, testing and piloting of a users’ participation and accountability mechanism to collect feedback from users of MIDIS’ Programs; and (iii) the improvement of MIDIS’ grievance mechanisms.

2. Designing and piloting local coordination methodologies and tools for MIDIS’ Programs.

3. Improving SISOH’s internal and external communication and coordination mechanisms.

4. Strengthening administrative processes of MIDIS’ Programs, through, *inter alia*: (i) the design and piloting of alternative money transfer systems for Pensión 65 and Qali Warma; (ii) the design and piloting of alternative management models and nutritional quality control mechanisms for Qali Warma; and (iii) the development of information tools to detect and address deficiencies in the provision of health, nutrition and education services in areas of intervention of Juntos.

Part 2. Improvement of Knowledge Management, Information and Communication

Provision of support to strengthen MIDIS’ information system to collect, process and produce data to enhance the decision-making processes within SINADIS by:

1. Designing an integrated multi-sectoral information platform for social policy decision making, including the development of data models.
2. Strengthening the management information systems of *Qali Warma* and *Pensión 65*.

3. Improving MIDIS' administrative and communication systems, through, *inter alia:* (a) the carrying out of a capacity building program for MIDIS' staff; (b) the development of a communication strategy for the MIDIS' social inclusion plan (*Crecer para Incluir*); (c) the design of an annual dissemination and communications plan; and (d) the development of an internal communication plan for MIDIS' staff.

**Part 3. Strengthening of MIDIS' Capacity on Result Orientation, Monitoring and Evaluation**

Provision of support to develop and implement a social policy monitoring and evaluation system by:

1. Developing tools to collect data and analyze indicators of social policies within SINADIS, including MIDIS' Programs, through, *inter alia:* (a) the development of a monitoring dashboard for chronic infant malnutrition and the mechanisms to analyze and use the information produced by said dashboard; (b) the creation of an elderly observatory to support the development of an integrated strategy for the elderly; (c) the systematization of pilot experiences of application of social policy.

2. Carrying out evaluations of the Borrower's social policy and programs.


Provision of support to design and implement a continuous capacity building and training program for public officials implementing social policy by:

1. Designing and carrying out capacity-building activities for public officials involved in policy planning, budgeting and implementation of social inclusion programs.

2. Creating a guidance and counseling program for local *Juntos* promoters, through, *inter alia,* the development of capacity building activities and educational materials.

3. Developing a capacity-building and certification program for qualified local and regional coaching professionals to create a network of MIDIS-certified local professionals.

**Part 5. Support of Project Administration**

Carrying out activities related to the management and implementation of the Project.
SCHEDULE 2

Project Execution

Section I.  Implementation Arrangements

A. Institutional Arrangements

1. (a) For purposes of the carrying out of the fiduciary aspects of the Project, the Borrower, through MEF, shall operate and maintain, until the completion of the execution of the Project, a Project coordination unit (UCPS), with functions and responsibilities satisfactory to the Bank, as set forth in the Operational Manual.

(b) The Borrower, through MEF, shall maintain the UCPS staffed with qualified and experienced staff in adequate numbers, including with procurement and financial management qualifications, all with terms of reference satisfactory to the Bank.

2. No later than January 31, 2013, the Borrower, through MIDIS, shall hire and thereafter maintain during the execution of the Project, a Project Coordinator, with functions, responsibilities, qualifications and experience acceptable to the Bank, as set forth in the Operational Manual.

B. Inter-institutional Agreement

1. To facilitate the carrying out of the Project, the Borrower, through UCPS and MIDIS, shall enter into an inter-institutional agreement ("Inter-institutional Agreement"), under terms and conditions acceptable to the Bank, as set forth in the Operational Manual, including, inter alia: (a) the obligation of UCPS to carry out the fiduciary aspects of the Project, in accordance with the terms of this Agreement, the Operational Manual, and the Anti-corruption Guidelines; and (b) the obligation of MIDIS to carry out the technical aspects of the Project, in accordance with the terms of this Agreement, the Operational Manual, and the Anti-corruption Guidelines.

2. Except as the Bank shall otherwise agree, the Borrower, through UCPS and MIDIS, shall not assign, amend, abrogate, waive terminate or fail to enforce the Inter-institutional Agreement or any of its provisions.
C. Operational Manual

1. The Borrower, though MIDIS and UCPS, shall carry out the Project in accordance with the provisions of a manual (the Operational Manual), which shall include, *inter alia*: (a) a detailed description of Project activities and institutional arrangements for the Project; (b) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the institutional and administrative mechanisms established to ensure inter-institutional coordination, including the functions, responsibilities and staffing requirements of MIDIS and UCPS under the Project; and (f) the Indigenous Peoples' Strategy.

2. Except as the Borrower and the Bank may otherwise agree in writing, the Borrower, through MIDIS and UCPS, shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.

3. In case of any conflict between the terms of the Operational Manual, the Inter-institutional Agreement, and this Agreement, the provisions of this Agreement shall prevail.

D. Anti-Corruption

The Borrower, through MIDIS and UCPS, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Safeguards

Without limitation to the provisions of Section I.C.1 (f) of this Schedule, the Borrower, through MIDIS and UCPS, shall carry out the Project in accordance with the Indigenous Peoples' Strategy.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower, through UCPS with the support of MIDIS, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.
B. Financial Management, Financial Reports and Audits

1. The Borrower, through UCPS, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower, through UCPS, shall prepare and furnish to the Bank as part of the Project Report interim unaudited financial reports for the Project covering the calendar semester, in form and substance satisfactory to the Bank.

3. The Borrower, through UCPS, shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods and Non-consulting Services. All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the 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.

B. Particular Methods of Procurement of Goods and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.
2. **Other Methods of Procurement of Goods, and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection based on the Consultants' Qualifications</td>
</tr>
<tr>
<td>(c) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(d) Least Cost Selection</td>
</tr>
<tr>
<td>(e) Selection under Fixed Budget</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Single-Source Procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

E. **Special Provisions**

1. In addition and without limitation or restriction to any other provisions set forth in this Section or the Procurement Guidelines, the following provisions shall govern the procurement of goods, and non consulting services with National Competitive Bidding ("NCB"): 

-10-
Foreign bidders shall not be required to be locally registered as a condition of participation in the selection process.

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

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.

Foreign bidders shall be allowed to submit a bid under NCB 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 (legalizar) their bidding documents or any documentation related to such bidding documents with either Peruvian Consulates, the Ministry of Foreign Affairs, or any Peruvian authorities, as a prerequisite for bidding.

The Borrower, through the UCPS, shall use standard bidding documents and standard evaluation formats, all satisfactory to the Bank.

2. In addition and without limitation or restriction to any other provisions set forth in this Section or the Consultant Guidelines, the following provisions shall govern all employment of consultants:

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

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

The Borrower, through the UCPS, shall use standard requests for proposals and standard evaluation formats, all satisfactory to the Bank.

Foreign consultants, either individuals or firms, shall not be required to pay fees to the Peruvian Consultants' Association that are different from those required for Peruvian consultants.

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 or entity of the Borrower, 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.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan 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 Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, Operating Costs and Training under the Project</td>
<td>10,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>10,000,000</td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this paragraph:

(a) the term “Operating Costs” means the incremental expenses incurred on account of Project implementation, including office equipment, communication costs, office administration costs, travel, and supervision costs of locally contracted employees; and

(b) the term “Training” means reasonable expenditures (other than those for consultants’ services and non-consulting services) for: (a) travel, room, board and per diem expenditures incurred by trainers (if applicable) and trainees in connection with the carrying out of training activities; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) from the Loan Account until the Bank has received payment in full of the Front-end Fee; or
   
   (b) for payments made prior to the date of this Agreement.

2. The Closing Date is January 31, 2017.

Section V. Other Undertakings

Without limitations to the provisions of Section 5.03 of the General Conditions, the Borrower shall provide, promptly as needed, an amount of $4,295,000 equivalent as Project counterpart funds, as such amount may be amended from time to time with the agreement of the Bank.
SCHEDULE 3
Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15</td>
<td></td>
</tr>
<tr>
<td>Beginning March 15, 2018</td>
<td></td>
</tr>
<tr>
<td>through March 15, 2020</td>
<td>16.67%</td>
</tr>
<tr>
<td>On September 15, 2020</td>
<td>16.65%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions


2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

3. “CENAN” means Centro Nacional de Alimentación y Nutrición, the Borrower’s National Center for Food and Nutrition within its Ministry of Health.


5. “Cuna Más” means Programa Nacional Cuna Más, the Borrower’s social inclusion program created pursuant to the Borrower’s Supreme Decree No 003-2012-MIDIS, dated March 21, 2012, and published in the Borrower’s Official Gazette on March 23, 2012, as amended to the date of this Agreement.

6. “FONCODES” means Fondo de Cooperación para el Desarrollo Social, the Borrower’s Cooperation Fund for Social Development created pursuant to the Borrower’s Legislative Decree No 657, dated August 14, 1991, and published in the Borrower’s Official Gazette on August 15, 1991, as amended to the date of this Agreement.


8. “Indigenous Peoples’ Strategy” means the Borrower’s strategy dated October 29, 2012, acceptable to the Bank, published on October 30, 2012, referred to in Section I.E of Schedule 2 to this Agreement, detailing measures to mitigate any adverse impact on indigenous peoples as a result of any activity carried out under the Project and to ensure that they benefit from the Project.

9. “Inter-institutional Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement.

10. “JUNTOS” means Programa Nacional de Apoyo a los Más Pobres, the Borrower’s social inclusion program created pursuant to the Borrower’s Supreme Decree No 032-2005-PCM, dated April 6, 2005, and published in the Borrower’s Official Gazette on August 8, 2005, as amended to the date of this Agreement.
11. “MEF” means Ministerio de Economía y Finanzas, the Borrower’s Ministry of Economy and Finance.

12. “MIDIS” means Ministerio de Desarrollo e Inclusión Social, the Borrower’s Ministry of Development and Social Inclusion created by the MIDIS Legislation.

13. “MIDIS Legislation” means Ley de Creación, Organización y Funciones del Ministerio de Desarrollo e Inclusión Social – MIDIS, the Borrower’s Law No. 29792, dated October 20, 2011, and published in the Borrower’s Official Gazette on December 9, 2011, as amended to the date of this Agreement.

14. “MIDIS’ Programs” means the following social inclusion programs: Juntos, Pensión 65, Qali Warma, ONCODES, and Cuna Más.

15. “MINAG” means Ministerio de Agricultura, the Borrower’s Ministry of Agriculture.

16. “MINED” means Ministerio de Educación, the Borrower’s Ministry of Education.

17. “Operational Manual” means the manual satisfactory to the Bank, dated November 6, 2012, referred to in Section I.C of Schedule 2 to this Agreement, as such manual may be amended from time to time with the Bank’s prior approval.

18. “Pensión 65” means Programa Nacional de Asistencia Solidaria, the Borrower’s social inclusion program created pursuant to the Borrower’s Supreme Decree No. 008-2011-PCM dated October 19, 2011, and published in the Borrower’s Official Gazette on October 19, 2011 as amended to the date of this Agreement.


20. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated November 6, 2012, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. “Qali Warma” means Programa Nacional de Alimentación Escolar Qali Warma, the Borrower’s social inclusion program created pursuant to the Borrower’s Supreme Decree No. 008-2012-MIDIS, dated May 30, 2012 and published in the Borrower’s Official Gazette on May 31, 2012, as amended to the date of this Agreement.
22. "SINADIS" means Sistema Nacional de Desarrollo e Inclusión Social, the Borrower's National System for Development and Social Inclusion created pursuant to the Borrower's Law No. 29792, dated October 19, 2011 and published in the Borrower's Official Gazette on October 20, 2011, as amended to the date of this Agreement.

23. "SISFOH" means Sistema de Focalización de Hogares, the Borrower's Household Targeting System created pursuant to the Borrower's Ministerial Resolution No. 399-2004-PC dated December 20, 2004 and published in the Borrower's Official Gazette on December 22, 2004, as amended to the date of this Agreement.

24. "UCPS" means Unidad de Coordinación de Préstamos Sectoriales, the Borrower's Coordination Unit for Sectorial Loans within MEF, created pursuant to the Borrower's Decreto Ley No. 25535, dated June 5, 1992, or any other successor thereto.