Mr. Alberto Paniagua  
Executive Director  
Fondo de Promoción de las Áreas Naturales Protegidas del Perú (PROFONANPE)  
Av. Javier Prado Oeste 2378, San Isidro  
Lima, Perú  

Re: GEF Grant No. TF015896 (Strengthening Sustainable Management of the Guano Islands, Isles and Capes National Reserve Systems Project)  
Additional Instructions: AMENDED Disbursement Letter  

Dear Sir,  

I refer to the Grant Agreement between PROFONANPE (the “Recipient”) and the International Bank for Reconstruction and Development (the “World Bank”), acting as administrator of the Global Environment Fund, dated February 11, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF015896 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.  

This letter is the First Restatement of the Disbursement Letter dated February 11, 2014 for the above referenced project, restating: a) Section II, paragraph (vi) to increase the ceiling of the Designated Account from USD 500,000 to USD 800,000; b) Section III, paragraph (i) to eliminate the SOE limits; and, c) to replace Attachment 4. All other provisions and attachments of Disbursement Letter dated February 11, 2014, except as amended, shall remain in force and effect.  

The 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 Financing 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  
- Advance  
- 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.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Grant Agreement.

II. Withdrawal of Grant 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, N.W.
Washington, DC 20433
United States of America
Attention: Alberto Rodriguez, Country 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
Setor Comercial Norte, Quadra 02, Lote A
Edifício Corporate Financial Center, 7º Andar
70712-900, Brasília, DF
Brazil
Attention: Loan Operations

(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 credentials (“SIDC”) 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 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 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 SIDC to Process Applications. By designating officials to use SIDC 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 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 of Direct Payment and Reimbursement is USD 100,000.

(vi) Advances (sections 5 and 6) to PROFONANPE

- **Type of Designated Account[s] (subsection 5.3):** Segregated Account
- **Currency of Designated Account[s] (subsection 5.4):** United States Dollar (USD)
- **Financial Institution at which the Designated Account will be opened (subsection 5.5):** Banco de Crédito del Perú
- **Ceiling (subsection 6.1):** USD 800,000

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:**
  - Statement of Expenditure (SOE), in the form attached (Attachment 4), for payments made under Categories 1 and 2;
  - Custom Statement of Expenditure for payments made under Collaborative Subprojects in Category 3; and,
  - List of payments for contracts that are subject to the Bank’s prior review.

- **For reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditure (SOE), in the form attached (Attachment 4), for payments made under Categories 1 and 2;
  - Custom Statement of Expenditure for payments made under Collaborative Subprojects in Category 3;
  - List of payments for contracts that are subject to the Bank’s prior review; and,
  - Designated Account Activity Statement 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 Accounts (subsection 6.3): Quarterly or more often if required for Category 1 and 3 and Annually for Category 2 – Endowment Fund.

IV. Other Disbursement Information

Retroactive Financing – retroactive financing for payments made prior to the date of the grant agreement will be available up to an aggregate amount not to exceed $100,000 for Eligible Expenditures under Category (1) incurred or paid on or after October 1, 2103.

Endowment Fund Financing - Under project subcomponent 1.4 the amount of US$2,000,000 will be disbursed by the Bank as a single advance to an endowment fund account upon PROFONANPE providing evidence of the establishment of the endowment fund account in a manner satisfactory to the Bank.

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 (https://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. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be affected. For more information about the website and registration arrangements, please contact the World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Maria Virginia Hormazabal at mhormazabal@worldbank.org using the corresponding project name and trust fund number in the subject line.

Yours sincerely,

Maria Virginia Hormazabal
Finance Officer
World Bank Loan Operations

Attachment

4. Form of Statement of Expenditures