



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP



APRIL 12, 2016

His Excellency
Mr. Alonso Arturo Segura Vasi
Minister of Economy and Finance
Ministry of Economy and Finance
Jirón Junín 319, Cercado de Lima
Lima, Peru

**Re: PERU: Support to the Subnational Transport Program Project
IBRD Loan No. 8562-PE
Additional Instructions: 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 October 23, 2015. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8562- PE (“Loan”). 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 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 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.

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

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) 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). Please provide completed and signed applications for withdrawal, together with supporting documents to the address indicated below:

Banco Mundial
SCN, 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 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") provided in Attachment 3; 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 Provias Descentralizado - PVD

- **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):** Variable ceiling based on six month forecast of project expenditures

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 and reporting eligible expenditures paid from the Designated Account:**
 - Statement of Expenditures (Attachment 4);
 - Information about contracts subject to the Bank's prior review as indicated in column 4 of Attachment 4; and
 - Designated Account Activity Statement in the form attached (Attachment 5) with a copy of the Designated Account Bank Statement applicable only when reporting eligible expenditures paid from the Designated Accounts.
- **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.

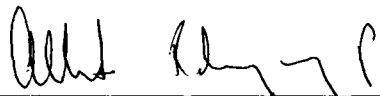
IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Bank's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <http://clientconnection.worldbank.org>. Print copies are available upon request.

If you have not already done so, the 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 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, please contact the 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 Loan number in the subject line.

Sincerely,



Alberto Rodriguez
Country Director
Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

Attachments / *NOT ATT*

1. World Bank Disbursement Guidelines, May 2006
2. Authorized Signature Sample Letter
3. Terms and Conditions of Use of Secure Identification Credentials
4. Statement of Expenditures
5. Sample Designated Account Activity Statement

cc: Mr. Carlos Augusto Blanco, General Director of Debt and Public Treasury, MEF
Mr. Valentín Cobebñas, Director, Debt Management, MEF
Mr. Eloy Duran, General Director of Public Investment, MEF
Mr. Alexei Oblitas, Executive Director, *Provias Descentralizado*, MTC