

**World Bank**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.  
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Cable Address: INTBAFRAD  
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June 24, 2011

**CONFORMED COPY**

His Excellency  
Ismael Benavides  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Jirón Junin # 319  
Lima 1, Peru

Re: Peru: Loan No. 7368-PE (Real Property Rights Consolidation Project)  
Amendment to the Loan Agreement

Excellency:

We refer to the Loan Agreement between the Republic of Peru (the Borrower) and the International Bank for Reconstruction and Development (the Bank), dated November 3, 2006, as amended to date (the Loan Agreement), with respect to the above-captioned Project. Terms not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

We are pleased to inform you that pursuant to your letter No. 123-2011-EF/68.01 dated April 14, 2011 and our recent discussions on the subject, the Bank hereby agrees to amend the Loan Agreement as follows:

1. Section 1.02 (c) of the Loan Agreement is hereby amended to read as follows:

““COFOPRI” means the Borrower’s National Commission for the Formalization of Informal Property (*Comisión de Formalización de la Propiedad Informal*), the Project’s executing entity established pursuant to the Borrower’s Legislative Decree No. 803 of March 15, 1996 (the Promotion of Access to Formal Property Law), as amended by the Borrower’s Legislative Decree No. 28923 of December 6, 2006 and the Borrower’s Legislative Decree No. 29320 of February 10, 2009.”

2. Section 1.02 (q) of the Loan Agreement is hereby amended to read as follows:

““PCU” means *Unidad Ejecutora 002 Proyecto de Consolidación de Derechos de Propiedad Inmueble*, the unit within COFOPRI that will serve as the Project coordination unit referred to in Section 3.05 (d) of this Agreement.”

3. The Bank hereby establishes June 30, 2012 as the later date for purposes of Section 2.03 of the Loan Agreement.

4. Section 3.05 (a) of the Loan Agreement is hereby amended to read as follows:

“(a) a steering committee (the Steering Committee) responsible for general Project supervision, including representatives from VIVIENDA, COFOPRI, SUNARP, MEF and civil society, with the structure, functions and responsibilities described in the Operational Manual, including, *inter alia*: (i) approval of each Annual Operating Plan and any modification thereof; (ii) review of Project implementation audits and reports; and (iii) responsibility for the preparation of the short list for the selection of key staff for PCU under competitive and transparent procedures;”

5. Section 7.01 of the Loan Agreement is hereby amended to read as follows:

“Section 7.01. Except as provided in Section 2.10 of this Agreement, the Minister of Economy and Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions, provided that the Borrower’s Director General at the time responsible for public indebtedness may, by him or herself, represent the Borrower to sign amendments and/or notices to this Agreement which are considered of an administrative and non-financial nature. The signing by such Director of an amendment and/or notice shall constitute a representation by the Borrower that any such amendment and/or notice is considered to be administrative and non-financial in nature.”

6. The table in paragraph 1 of Section A of Schedule 1 to the Loan Agreement is amended as set forth in the Annex to this Letter.

7. A new sub-paragraph (c) is added under paragraph 2 of Section A of Schedule 1 to the Loan Agreement to read as follows:

“(c) the term “Non-Consulting Services” means services for which the physical aspects of the activity predominate, are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied, such as drilling, aerial photography, satellite imagery, mapping, digitalization of property records and similar operations.”

All other provisions of the Loan Agreement, except as amended herein, shall remain in full force and effect.

Please confirm your agreement with the foregoing, on behalf of the Borrower, by signing, dating, and returning to us the enclosed copy of this Amendment. Upon receipt by the Bank of the copy of this Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.

Please also note that the restructuring paper dated June 7, 2011 will be disclosed on the Bank's external website.

Sincerely,

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By /s/ Carlos Silva  
for Laura Frigenti  
Acting Director  
Bolivia, Chile, Ecuador, Peru and Venezuela  
Latin America and the Caribbean Region

**AGREED:**

**REPUBLIC OF PERU**

By: /s/ Carlos Linares Peñaloza  
Authorized Representative

Title: *Director General, Dirección General de Endeudamiento y Tesoro Público*

Date: June 30, 2011

ANNEX

<u>Category</u>	<u>Amount of the Loan Allocated (Expressed in Dollars</u>	<u>% of Expenditures to be financed</u>
(1) Goods	5,285,714	82%
(2) Consultants' services (including audits referred to in Sections 4.01 (b) (i) and 3.03 (c) (i) of this Agreement)	13,180,436	82%
(3) Training	19,194	82%
(4) Operating costs	1,247,090	82%
(5) Front-end fee	62,500	Amount due under Section 2.04 of this Agreement
(6) Premia for Interest Rate Caps and Interest Rate Collars	0	Amounts due under Section 2.09(c) of this Agreement
(7) Non-Consulting Services	5,205,066	82%
TOTAL	<u>25,000,000</u>	