Mr. Jorge Merino Tafur  
Minister of Energy and Mines  
Ministry of Energy and Mines  
Av. Las Artes Sur 260  
San Borja  
Lima, Peru

Mr. Luis Olivera Cárdenas  
Executive Director  
Peruvian Agency for International Cooperation  
Av. José Pardo 261  
Miraflores  
Lima, Peru

Re: MDTF EITI Grant No. TF015428  
Republic of Peru: Support to the Implementation of the Extractive Industries Transparency Initiative Project  
Additional Instructions: Disbursement

Dear Sirs,

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by Australia, Belgium, Canada, European Union, Finland, France, Germany, Netherlands, Norway, Spain, Switzerland, United Kingdom and United States of America (the "Donors") to the Extractive Industries Transparency Initiative (EITI) Implementation Support Facility, and the Republic of Peru (the "Recipient") for the above-referenced project, dated September 5, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF010050 ("Grant"). 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 Grant 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.

II. Withdrawal of Grant 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, N.W.
Washington, DC 20433
United States of America
Attention: Susan Goldmark

(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
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 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 SDIC 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 SIDC") 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$ 60,000 for Reimbursement and Direct Payments.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated Accounted.
- **Currency of Designated Account (subsection 5.4):** United States Dollar.

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de la Nacion del Peru.

- **Ceiling (subsection 6.1):** US$ 150,000.

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:**
  
  - Statements of Expenditure in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts costing US$ 50,000 per contract or more;

  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures/contracts; and

  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 6).

- **For reporting eligible expenditures paid from the Designated Account:**

  - Statements of Expenditure in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts costing US$ 50,000 per contract or more;

  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures/contracts;

  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 6); and

  - Designated Account Reconciliation/Activity Statement in the form attached (Attachment 5) with a copy of the 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 Account (subsection 6.3): Quarterly or more often if needed.

IV. 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 effected. 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 a Finance Officer at Ioa-tf@worldbank.org using the above reference.

Sincerely,

By [Signature]
Susan G. Goldmark
Director
Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

Attachments

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Statements of Expenditure
5. Form of Designated Account Reconciliation/Activity Statement.
6. Form of Payments Against Contracts Subject to the World Bank’s Prior Review

Cleared with and cc: Mariana Montiel, Country Lawyer
Javier Aguilar, Task Team Leader