

Document:	<u>EB 2009/98/R.38/Add.1/Rev.1</u>
Agenda:	<u>17(d)(iii)</u>
Date:	<u>11 December 2009</u>
Distribution:	<u>Public</u>
Original:	<u>Spanish</u>

E



Enabling poor rural people
to overcome poverty

Republic of Peru

Supplementary loan and grant for the Market Strengthening and Livelihood Diversification in the Southern Highlands Project

Addendum

Executive Board — Ninety-eighth Session
Rome, 15-17 December 2009

For: **Approval**

Market Strengthening and Livelihood Diversification in the Southern Highlands Project

Addendum

The attention of the Executive Board is drawn to the following addenda and modifications to the President's report on the Market Strengthening and Livelihood Diversification in the Southern Highlands Project (EB 2009/98/R.38). For ease of reference, the changes to the text of the report are shown in boldface.

Page v, Financing summary

Amount of IFAD supplementary loan:	SDR 5.20 million (equivalent to approximately US\$ 8.27 million)
Amount of IFAD grant:	SDR 0.21 million (equivalent to approximately US\$ 0.33 million)
Terms of IFAD supplementary loan:	18 years, including a grace period of four years, with an interest rate equal to the reference interest rate per annum as determined by the Fund semi-annually

Page 1, paragraph 2

The first sentence should read:

"It is proposed that IFAD provide to the Republic of Peru a supplementary loan in the amount of SDR **5.20** million (equivalent to approximately US\$8.27 million), on ordinary terms, and a grant in the amount of SDR **0.21** million (equivalent to approximately US\$0.33 million) to help finance the Market Strengthening and Livelihood Diversification in the Southern Highlands Project. The loan will have a term of 18 years, including a grace period of **four** years, with an interest rate equal to the reference interest rate per annum as determined by the Fund semi-annually."

Page 6, paragraph 35

The paragraph should read:

"A project financing agreement between the Republic of Peru and IFAD will constitute the legal instrument for extending the proposed supplementary financing to the borrower/recipient. **The negotiated financing agreement will not be tabled at this session. The Board is requested to approve the provision of supplementary financing for the proposed project subject to: (i) presentation by the borrower/recipient to IFAD within six months of the date of the Board's approval, a declaration of viability or the corresponding legal instrument authorizing the borrower/recipient to proceed with negotiations; and (ii) completion of negotiations between the Republic of Peru and IFAD within the above-mentioned time frame. A copy of the negotiated financing agreement will be tabled at a future session, as well as any substantive changes to the terms and conditions presented to the Board at this session.**"

Page 6, paragraph 38

The recommendation should read:

“RESOLVED: that the Fund shall make a supplementary loan on ordinary terms to the Republic of Peru in an amount equivalent to **five million two hundred thousand** special drawing rights (SDR **5,200,000**), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a grant to the Republic of Peru in an amount equivalent to **two hundred and ten thousand** special drawing rights (SDR **210,000**) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.”

