

March 2, 2020.

His Excellency  
Mr. Carlos Melchor Díaz Villavicencio  
Minister of Development Planning  
Ministry of Development Planning  
Avenida Mariscal Sta. Cruz, 1092  
Edificio Ex-Comibol  
La Paz, Plurinational State of Bolivia

**Re: PLURINATIONAL STATE OF BOLIVIA: IBRD LOAN No. 8735-BO  
Additional Financing for the Rural Alliances Project (PAR II)  
Additional Instructions: First Amendment of the Disbursement Letter**

Excellency:

I refer to the Loan Agreement (“Agreement”) between the Plurinational State of Bolivia (the “Borrower”) and the International Bank for Reconstructions and Development (the “Bank”) for the above-referenced Project, dated July 28, 2017. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8735-BO (“Loan”). 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 July 28, 2017 for the above referenced project and reinstates: (i) Section II, paragraph (vi) to change the Designated Accounts ceiling from fixed to variable; and (ii) to require the submission of a three-month forecast for Advances following the sample format included as Attachment. All other provisions and attachments of the Disbursement Letter dated July 28, 2017, except as amended, shall remain in force and effect.

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”), 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 Payment

**(ii) *Disbursement Deadline Date (subsection 3.7)*.** The Disbursement Deadline Date is 4 months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the World Bank.

## **II. Withdrawal of Loan Proceeds**

**(i) Authorized Signatures (subsection 3.1).** A letter 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, N.W.  
Washington, DC 20433  
Attention: Marianne Fay, Country Director

**(ii) Applications (subsections 3.2 - 3.3).** Please provide completed applications for withdrawal, together with supporting documents, through the World Bank's Client Connection, web-based portal, following the instructions for electronically delivery. In the case the Borrower does not have internet access, the World Bank may permit the delivery of applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

Banco Mundial  
SCN Quadra 02, Lote A  
Ed. Corporate Financial, 7º andar  
70712-900 Brasilia, D.F. - Brazil  
Attention: Loan Operations

**(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"); 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\$ 200,000 for Direct Payment and Reimbursement.

**(vi) Advances (sections 5 and 6) to:**

- **Emprendimientos Organizados para el Desarrollo Rural Auto-gestionado - EMPODERAR**

- **Type of Designated Account (subsection 5.3):** Segregated – in the single treasury account in US dollars (CUT-ME), regulated under the Supreme Decree No. 29236. The records and bank reconciliation will reflect transaction activity of a segregated sub-account (libreta).
- **Currency of Designated Account (subsection 5.4):** US Dollars.
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Central Bank of the Plurinational State of Bolivia.
- **Ceiling (subsection 6.1):** Variable ceiling based on a three-month forecast of project expenditures.

➤ **Fondo Nacional de Inversión Productiva y Social – FPS**

- **Type of Designated Account (subsection 5.3):** Segregated – in the single treasury account in US dollars (CUT-ME), regulated under the Supreme Decree No. 29236. The records and bank reconciliation will reflect transaction activity of a segregated sub-account (libreta).
- **Currency of Designated Account (subsection 5.4):** US Dollars.
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Central Bank of the Plurinational State of Bolivia.
- **Ceiling (subsection 6.1):** Variable ceiling based on a three-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, Advances and for reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditures;
  - Information about contracts subject to the Bank’s prior review;
  - Customized Statement of Expenditures for transfers made to Subprojects under Parts 2 (a) and (b) (Category 2 (a));
  - Customized Statement of Expenditures for payments of FPS’s operating costs in accordance with the percentage of the cost of each single subproject and specific mechanisms to disburse defined in the Operational Manual;
  - Designated Account Activity Statement with a copy of the Designated Account Bank Statement applicable only when reporting eligible expenditures paid from the Designated Account; and
  - Three-month forecast, in the form attached (attachment 1), applicable when requesting an advance.

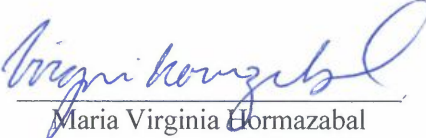
- *For requests for Direct Payment*: records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices).

(ii) *Frequency of Reporting Eligible Expenditures paid from the Designated Account (subsection 6.3)*: Quarterly or more often if needed.

#### IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's website (<http://www.worldbank.org>) and "Client Connection". The Bank recommends that you register as user of "Client Connection". 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, or if you have any queries in relation to the above, please contact the World Bank by email at [AskLoans@worldbank.org](mailto:AskLoans@worldbank.org) using the above reference.

Yours sincerely,



Maria Virginia Hormazabal  
Finance Officer  
World Bank Loan Operations

#### Attachment

1. Three-month forecast

**Attachment 1**

<b>PREVISIÓN DE GASTOS</b>									
a	b	c	d	e	f	g	h	$l = g - h$	$j = l \times e / \text{dólar}$
Nombre del proveedor o consultor	Referencia del contrato	Fecha prevista para entrega del bien/servicio	Categoría de gastos	% financiado por el BIRF	Moneda del contrato	Valor total del contrato	Valor ya pagado	Valor pendiente hasta el cierre	Valor pendiente en USD eq. financiado por el BIRF
Tasa actual - USD						<b>Total de gastos pendientes</b>			