



December 12, 2012

CR 5170-BO

Her Excellency  
Ms. Viviana Caro Hinojosa  
Minister  
Ministry of Development Planning  
La Paz, Bolivia

**Re: IDA Credit No. 5170-BO (Rural Alliances Project II)**  
**Additional Instructions: Disbursement Letter**

Excellency,

I refer to the Finance Agreement (“Agreement”) between the International Development Association (the “World Bank”), and the Plurinational State of Bolivia (the “Recipient”), for the above-referenced project, dated December 12, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of IDA Credit No. 5170-BO (“Financing”). 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 Financing 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 Financing:

- 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 Financing Agreement. Any changes to this date will be notified by the World Bank.

**(iii) *Disbursement Conditions (Subsection 3.8)***. Please refer to the Disbursement Conditions in Section Schedule 2, Section IV of the Financing Agreement.

## **II. Withdrawal of Credit 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 names and specimen signatures of the officials authorized to sign Applications:

The World Bank  
1818 H Street, N.W.  
Washington, DC 20433  
United States of America  
Attention: Susan G. Goldmark, 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  
Setor Comercial Norte  
Quadra 02, Lote A  
Edifício Corporate Finance Center  
7º andar  
70712-900 Brasília, 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 devices ("Tokens") 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 Tokens 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 Borrower.

**(iv) Terms and Conditions of Use of Tokens to Process Applications.** By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens") in Attachment 3 ; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and 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 EMPODERAR.***

- ***Type of Designated Account (subsection 5.3):*** Pooled - compatible with the manner in which the recipient is applying Supreme Decree No. 29236 which establishes a single treasury account in US dollars (CUT-ME).
- ***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):*** US\$5,000,000.

**III. Reporting on Use of Credit Proceeds**

***(i) Supporting Documentation (section 4).*** Supporting documentation should be provided with each application for withdrawal as set out below:

- ***For requests for Direct Payment:*** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.
- ***For requests for Reimbursement:***
  - Summary Statement in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts valued at US\$100,000 and above.
  - Customized Statement of Expenditures in the form attached (Attachment 5) for transfers made to Subprojects under Category 2;
  - Statements of Expenditure in the form attached (Attachment 6) for all other payments; and
  - List of Payments under Contracts Subject to the Bank's Prior Review in the form attached (Attachment 7).
- ***For reporting eligible expenditures paid from the Designated Account:***
  - Summary Statement in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts for under contracts valued at US\$100,000 and above.
  - Customized Statement of Expenditures in the form attached (Attachment 5) for transfers made to Subprojects under Category 2;
  - Statements of Expenditure in the form attached (Attachment 6) for all other payments;
  - List of Payments under Contracts Subject to the Bank's Prior Review in the form attached (Attachment 7); and

- Designated Account Activity Statement in the form attached (Attachment 8) with a copy of the Designated Account Bank Statement.

*(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 Disbursement Handbook available on the World 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.

From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (<http://clientconnection.worldbank.org>). From this website you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact the World Bank Loan Department by sending an email to [loa-lcr@worldbank.org](mailto:loa-lcr@worldbank.org) and naming the project and financing number in the subject line.

Yours sincerely,



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
3. *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated January 20, 2010
4. Summary Statement
5. Customized Statement of Expenditures for Category 2 - Grants
6. Statement of Expenditures
7. List of Contracts Subject to Prior Review
8. Sample Designated Account Statement

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