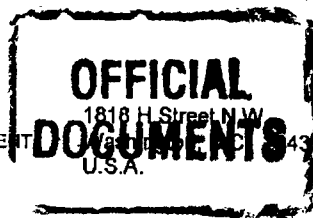


**The World Bank**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION(202) 477-1234  
Cable Address: INTBAFRAD  
Cable Address: INDEVAS

January 28, 2014.

His Excellency  
Carlos Enrique Cáceres Chávez  
Minister of Finance  
Ministry of Finance  
Boulevard de los Héroes # 1231  
San Salvador, El Salvador, C.A

**Grant Number : TF015978 (Regional Approach to Municipal Citizen Security in Central America's Northern Triangle Project)**  
**Additional Instructions: Disbursement Letter**

Excellency:

I refer to the Grant Agreement ("Agreement") between the Republic of El Salvador ("Recipient") and the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the State and Peace Building Fund ("SPF") for the above-referenced project, dated January 28, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No TF015978 ("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 four months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the conditions specified in the Grant Agreement.

## **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: C. Felipe Jaramillo, Country Director

***(ii) Applications (subsections 3.2 - 3.3).*** Please provide completed and signed (a) applications for withdrawal, together with supporting documents, to the address indicated below:

Banco Mundial  
Sector Comercial Norte,  
Quadra 02, Lote A  
Edificio Corporate Finance Center  
7° Andar  
70712-900 Brasilia, D.F., Brazil  
Attention: Loan Department

***(iii) Electronic Delivery (subsection 3.4)*** The Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association's Client Connection, web-based portal. The option to deliver Applications to the Association 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 Association 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 Association agrees, the Association 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 Association 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 SIDC 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 Secure Identification Credentials") 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 for Reimbursement and Direct Payment is: USD 50,000.

**(vi) Advance to UNDP (sections 5 and 6).**

- **Type of Designated Account (subsection 5.3):** Pooled Account
- **Currency of Designated Account (subsection 5.4):** United States Dollars (USD).
- **Financial Institution at which the Designated Account(s) Will Be Opened (subsection 5.5):** Bank of America
- **Ceiling (subsection 6.1):** Forecast for two quarters as provided in the quarterly Interim Financial Report

### **III. Reporting on Use of Financing Proceeds**

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

- **For requests for Reimbursement:**
  - Interim Financial Report in the form attached (Attachment 4)
  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5)
- **For reporting eligible expenditures paid from the Designated Account:**
  - Interim Financial Report in the form attached (Attachment 4)
  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5 )
  - Designated Account reconciliation, in the form attached (Attachment 6), with a copy of the corresponding 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

### **IV. Other Disbursement Instructions**

**(i) Retroactive Financing**

Retroactive Financing under the Grant will be available up to an aggregate amount not to exceed thirty three thousand (\$33,000) equivalent may be made for payments made within twelve (12) months prior to the date of the Grant Agreement but on or after April 25, 2013, for Eligible Expenditures.

## **V. 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 <https://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 Grant, 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 (<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. For more information about the website and registration arrangements, please contact the World Bank by email at <[clientconnection@worldbank.org](mailto:clientconnection@worldbank.org)>.

If you have any queries in relation to the above, please contact the Loan Department at [CTRLD-TF@worldbank.org](mailto:CTRLD-TF@worldbank.org) using the grant number and project name as the reference.

Very truly yours,

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By



C. Felipe Jaramillo  
Director  
Central America

Latin America and the Caribbean Region

**Attachments**

**NOT ATTACHED**

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 March 1, 2010
4. Form of Interim Financial Report
5. Form of Payments Against Contracts Subject to the Bank's Prior Review
6. Designated Account Activity Statement