

MICHEL KERF
Country Director, Central America and the Dominican Republic
Latin America and the Caribbean Region

26-Aug-2021

His Excellency
Mr. Hector Alexander
Minister of Economy and Finance
Ministry of Economy and Finance
OGAWA Building, Vía España and Calle 52E
Corregimiento de Bella Vista-Province of Panama
Republic of Panama

**Re: Open Government Partnership Grant No. TF0B6270
(Panama Open Contracting and Public Infrastructure Transparency Project)
Additional Instructions: Disbursement and Financial Information Letter**

Excellency,

I refer to the Letter Agreement (“Agreement”) between the Republic of Panama (“Recipient”) and the International Bank for Reconstruction and Development (“World Bank”), acting as administrator of grant funds provided by multiple donors (“Donors”) under the Open Government Partnership Trust Fund, for the above-referenced project. The Standard Conditions, as defined in the Letter Agreement, provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B6270-PA (“Grant”), and may set out Project specific financial reporting requirements. This letter (“Disbursement and Financial Information Letter”), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The *World Bank Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in the World Bank’s public website at <https://www.worldbank.org>, and are an integral part of the Disbursement and Financial Information 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

The table in **Schedule 1** provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Withdrawal of Grant Funds (Electronic Delivery) (Section 7.01 (c) of the Standard Conditions).

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the World Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>.

This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the World Bank. 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, available in the World Bank's public website at <https://worldbank.org> and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits Section (2.07 (a) and (b) of the Standard Conditions).

(i) **Financial Reports.**- The Recipient must prepare and furnish to the World Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports (“IFR”) for the Project covering the semester.

(ii) **Audits.** A single audit (one-time audit) of the Financial Statements must cover the project period or any other period agreed with the World Bank, according with project needs. The audited Financial Statements for such period must be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank’s website (<http://www.worldbank.org>) and “Client Connection”. The World Bank recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver 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, or if you have any queries in relation to the above, please contact the World Bank by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,



Michel Kerf

Country Director

Central America and the Dominican Republic
Latin America and the Caribbean Region

Attachments

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
3. Designated Account Activity Statement

Schedule 1 - Disbursement Provisions

Basic Information					
Grant Number	TF0B6270-PA	Country	Panama	Closing Date	Section 3.03 of Article III to the Letter Agreement
		Recipient	Republic of Panama		
		Name of the Project	Panama Open Contracting and Public Infrastructure Transparency Project	Disbursement Deadline Date <i>Subsection 3.7 **</i>	Four (4) months after the closing date
Disbursement Methods, and Supporting Documentation					
Disbursement Methods <i>Section 2 (**)</i>	Methods Available	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	No	Not Applicable			
Reimbursement	Yes	<ul style="list-style-type: none"> Statement of Expenditure, in the format provided in Attachment 2 of this letter. 			
Advance (into a Designated Account)	Yes	<ul style="list-style-type: none"> Statement of Expenditure, in the format provided in Attachment 2 of this letter; and Designated Account Activity Statement, in the format provided in Attachment 3 of this letter, with a copy of the Designated Account Bank Statement. 			
Special Commitments	No	Not Applicable			
Designated Account (Section 5 and 6 **)					
Type	Segregated (refer to Additional Instructions below)		Ceiling	Fixed	
Financial Institution - Name	Banco Nacional de Panama		Currency	USD	
Frequency of Reporting, <i>Subsection 6.3 (**)</i>	Quarterly		Amount	70,000.00	

Minimum Value of Applications (Subsection 3.5 **)

The Minimum Value of Applications for Reimbursement is USD 15,000.00 equivalent.

Authorized Signatures (Subsection 3.1 and 3.2 **)

Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)

Authorized Signatures: A letter in the format provided in Attachment 1 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, USA
Attention: Michel Kerf, Country Director

Applications: Completed Applications for withdrawal, together with supporting documents, should be provided through the World Bank’s Client Connection, web-based portal, following the instructions for electronic delivery. In the case the Recipient does not have internet access, the World Bank may permit the delivery of Applications for withdrawal, together with supporting documents, to the following address:

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

Additional Instructions

Designated Account will be in the Borrower’s Multilateral Single Treasure Account (*Cuenta Única del Tesoro*). The records and bank reconciliation will reflect transaction activity of a segregated sub-account.

*** Sections and subsections indicated relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.*

Attachment 1 - Form of Authorized Signatory Letter

[Letterhead]
 Ministry of Finance
 [Street address]
 [City] [Country]

[DATE]

The World Bank
 1818 H Street, N.W.
 Washington, D.C. 20433
 United States of America

Attention: _____, Country Director

Dear [Country Director]:

**Re: Open Government Partnership Grant No. TF0B6270
 (Panama Open Contracting and Public Infrastructure Transparency Project)**

I refer to the Letter Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”), acting as acting as administrator of grant funds provided by multiple donors (“Donors”) under the Open Government Partnership Trust Fund, and the Republic of Panama (the “Recipient”), dated _____, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Grant.

For the purpose of delivering Applications to the World Bank, ¹[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ²[individually] ³[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

⁴This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such

¹ Instruction to the Recipient: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the World Bank/Association.*

² Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the World Bank/Association.*

³ Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the World Bank/Association.*

⁴ Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the World Bank/Association.*

representations and warranties, including without limitation, the representations and warranties contained in 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”), the Recipient represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

Attachment 2 - Statement of Expenditure

BANCO INTERNACIONAL DE RECONSTRUCCION Y FOMENTO
Certificado de Gastos

Pagos hechos en el período de a

Los gastos abajo fueron incurridos durante el periodo de reactividad? (por favor, marque)

Sí	No
----	----

 Los gastos abajo fueron incurridos antes de la fecha de cierre del préstamo/crédito/donación? (por favor, marque)

Sí	No
----	----

Financiador:	
No. del Préstamo/Crédito /Donación:	
No. de Solicitud:	
No. de Categoría:	
No. de Página:	

												CUENTA DESIGNADA SOLAMENTE		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
No. Item	Nombre del Proveedor	Breve descripción del gasto	Contrato Sujeto a revisión previa (SI o NO)	No. del Registro del contrato en C.C.	Moneda y Monto del Contrato (original + enmiendas)	Número de la Factura o Recibo	Monto acumulado del contrato (incluido en SOEs anteriores)	Fecha del Pago	Monto Pagado al Proveedor	% Financ. por BIRF	Monto Admisible (Col 10 X 11)	Tasa de Cambio	Fecha Débito Cuenta Designada	Cantidad Debitada Cuenta Designada (Col 12 ÷ 13)
								0.00			0.00	TOTAL		0.00

La documentación soporte a ese Certificado de Gastos está disponible en (insertar localización)

Attachment 3 - Designated Account Activity Statement

CONCILIACION DE LA CUENTA DESIGNADA		
PRESTAMO/CREDITO/DONACIÓN No:		
NOMBRE DEL BANCO:		
NÚMERO DE CUENTA:		
	USD	
1. Total de Depósitos		
2. Menos Total Documentado		
3. Saldo por Recuperar	0.00	
4. Saldo al <u> / / </u> de Acuerdo al Estado Bancario Adjunto	0.00	
5. Monto de la Solicitud No. ____	0.00	
6. Más monto pendiente de Reembolso por el Banco <u>1/</u>	0.00	
7. Más retiros efectuados aún no solicitados al Banco <u>2/</u>	0.00	
8. Menos montos debitados después de la fecha del Estado Adjunto	0.00	
9. Menos intereses generados por la Cuenta Designada		
10. Total (4 + 5 + 6 + 7+ 8 - 9)	0.00	
11. Discrepancias entre (3 y 9)	0.00	
OBSERVACIONES:		
1/ Valor pendiente de reembolso por el Banco		
No. de Solicitud	Monto	
2/ Retiros efectuados aun no solicitados al Banco		
Fecha	Descripción	Monto
	Aqui se incluire una explicación del del Punto 8), o sea en que fue gastado el dinero que aún no fue solicitado al Banco. Esto es exigido cuando este importe supera el 15% del depósito en la Cuenta Designada.	
		0.00

1. Suma de todos los importes adelantados por el Banco a la Cuenta Designada

2. Suma de todos los importes documentados

3. Línea 1 menos Línea 2

4. Saldo igual al estado de cuenta bancario presentado. (Converter para dólares)

5. Informar el importe total a ser documentado en la solicitud que se está presentando

6. Solo en el caso de tener importes pendientes de pagar por el banco de Solicitudes anteriores.

7. Este importe es la parte que fue retirada de la Cuenta Designada y no corresponde a gastos que se están incluyendo en el próximo SOE. Refiere a nuevos gastos que aún no han sido incluidos en SOE

8. Aquí solo iría algo si hubieran retirado un nuevo importe de la Cuenta Designada, posterior a la fecha del estado de cuenta bancario que está siendo presentado