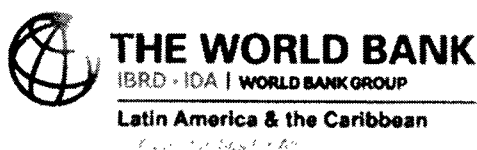


# OFFICIAL DOCUMENTS



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March 22, 2017

Mr. Danilo Astori  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Colonia 1089, Piso 3  
Montevideo  
República Oriental del Uruguay

**Re: IBRD Loan 8675- UY**  
**(Improving the Quality of Initial and Primary Education in Uruguay Project)**  
**Additional Instructions: Disbursement Letter**

Excellency:

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “Bank”) and *República Oriental del Uruguay* (the “Borrower”) for the above-referenced project, dated March 22, 2017. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8675-UY (“Loan”). 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 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
- Advance
- Direct Payment

**(ii) Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in Section IV.B.4. of Schedule 2 to the Loan 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 IV.B. 1(a), 1(b), 2(a), 2(b) and 3 of Schedule 2 to the Loan Agreement.

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

**(i) Authorized Signatures (subsection 3.1).** An authorized signatory letter in the Form attached (Attachment 2) 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  
Torre Bouchard  
Bouchard 547  
Buenos Aires, Argentina  
Attention: **Mr. Jesko S. Hentschel**  
Country Director  
Argentina, Paraguay and Uruguay.

**(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  
SCN, Quadra 02, Lote A  
Edificio Corporate Finance Center  
7° andar  
70712-900 Brasilia, D.F.  
Brazil  
Attention: **Ms. Monica Tambucho**  
Sr. Finance Officer  
Loan Operations

**(iii) Electronic Delivery (subsection 3.4)** The World Bank may permit the Borrower 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 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 World 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 World Bank agrees, the World 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 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 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 SIDC”) 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 is not applicable to this operation.

**(vi) Bank Accounts.** The project will operate three bank accounts as follows: (A) a United States Dollars [USD] Designated Account established at *Banco Central del Uruguay*, (B) a USD operating account at *Banco de la República Oriental del Uruguay* [BROU], and (C) a local currency account at BROU.

**(vii) Advances (sections 5 and 6).**

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** *Central Bank of Uruguay (Banco Central del Uruguay, BCU)*
- **Ceiling (subsection 6.1):** USD 8,000,000 equivalent.  
Advance to be made available for Category 1 (Preventive Maintenance Expenditures) and Category 2 (Goods, works, consulting services, non-consulting services, Training and Operating Costs under the Project, except under Part 2.1.b.i. of the Project), although it is anticipated that advances will be predominantly used for the implementation of Category 2.

### **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 and to reporting eligible expenditures paid from the Designated Account under Category 1 Preventive Maintenance Expenditures:**
  - Interim Unaudited Financial Report (IFRs) in the form attached (Attachment 4A)

- Evidence of expenditure eligibility: Expenditures in local currency, every calendar quarter, accompanied with a certification (and in line with Section IV.B.1. to IV.B.4. of Schedule 2 to the Loan Agreement)
- List of payments against contracts that are subject to the Bank's prior review, in the form attached (Attachment 5)
- ***For requests for Reimbursement and to reporting eligible expenditures paid from the Designated Account under Category 2 Goods, works, consulting services, non-consulting services, Training and Operating Costs under the Project, except under Part 2.1.b.i. of the Project:***
  - Statement of Expenditure (SOE) in the form attached (Attachment 4B)
  - List of payments against contracts that are subject to the Bank's prior review, in the form attached (Attachment 5)
- ***For requests for direct payment:*** records evidencing eligible expenditures, e.g., copies of receipts, suppliers' invoices.

***(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):*** The minimum frequency for both categories is semiannual, which is the same frequency for the IFRs submitted for reporting purposes under Section II.B.2 of Schedule 2 to the Loan and Project agreements.

#### **IV. Other supporting documentation to be provided**

A Designated Account Activity Reconciliation Statement and bank statement should be submitted with each Withdrawal Application reporting on the use of Advance proceeds from the Designated Account (Attachment 6)

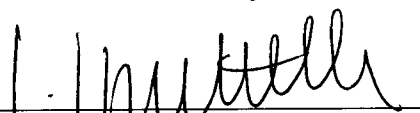
#### **V. Other Important Information**

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

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 Loan, and retrieve related policy, financial, and procurement information. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. 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 Jose Janeiro, Senior Finance Officer at [jjaneiro@worldbank.org](mailto:jjaneiro@worldbank.org) using the above Loan number and project name as reference.

Yours sincerely,

By   
Jesko S. Hentschel  
Country Director  
Argentina, Paraguay and Uruguay  
Latin America and the Caribbean Region

**Attachments:** - *Not ATT*

- 1 World Bank Disbursement Guidelines for Projects, dated May 1, 2006
- 2 Form: Authorized Signatory Letter
- 3 Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013
- 4A Interim Unaudited Financial Report (IFRs)
- 4B Statement of Expenditure (SOE)
- 5 List of payments against contracts that are subject to the Bank's prior review
- 6 Designated Account activity reconciliation statement