

 **THE WORLD BANK**
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Date: March 15, 2018

Jesús Gutiérrez Hernández
Director de Organismos Financieros Internacionales
Nacional Financiera, S.N.C.
Av. Insurgentes Sur 1971
Edificio Anexo Nivel Jardín. Piso Financiero
Col. Guadalupe Inn
C.P. 01020, Ciudad de México

**Re: IBRD Loan 8825 - MX (MEXICO Strengthening Entrepreneurship in
Productive Landscapes Project)
Additional Instructions: Disbursement and Financial Information Letter**

Dear Mr. Gutiérrez Hernández,

I refer to the Loan Agreement between The United Mexican States (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loan Amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in the Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, and conditions, information on registration of authorized signatures^{4/}, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account^{5/}.

(ii) Electronic Delivery. Section 10.01 (c) of the General Conditions.

The Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the Bank’s web-based portal (<https://clientconnection.worldbank.org>) “Client Connection”. This option may be effected if the officials designated in writing by the Borrower who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Borrower confirms that it is authorizing such persons to

accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. 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. 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, available in the 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

(i) Financial Reports. The Borrower must prepare and furnish to the 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.

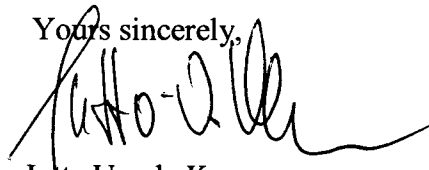
(ii) Audits. Each audit of the Financial Statements must cover the period of one fiscal year (calendar year) of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period.

III. Other 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 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 Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Jose Janeiro, Senior Finance Officer at jjaneiro@worldbank.org, with copy to Fernanda Balduino, Finance Analyst at fbalduino@worldbank.org using the above reference.

Yours sincerely,



Jutta Ursula Kern
Acting Country Director
Colombia and Mexico

Latin America and the Caribbean Region

Attachments

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)

Schedule 1 : Disbursement Provisions

Loan Number	8825	Country	MEXICO	Closing Date	Section IV.B.2. of Schedule 2 to the Loan Agreement.
		Borrower			
		Name of the Project	Strengthening Entrepreneurship in Productive Forest Landscapes	Disbursement Deadline Date <i>Subsection 3.7 **</i>	Four months after the closing date.
Disbursement Methods <i>Section 2 (**)</i>	Methods	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	No	N/A			
Reimbursement	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL			
Designated Account	No	N/A			
Special Commitments	No	N/A			
Type	N/A	Ceiling	N/A		
Financial Institution - Name	N/A	Currency	N/A		
Frequency of Reporting <i>Subsection 6.3 (**)</i>	N/A	Amount	N/A		
N/A					
<p>Banco Mundial Sector Comercial Norte, Quadra 02, Lote A, Edificio Corporate Finance Center 7º andar 70712-900 Brasilia, D.F. Brazil Attention: Loan Department</p>					
<p>For withdrawal applications using the reimbursement method, documenting eligible expenditures pre-financed and paid by the Borrower, in MXN, the Borrower will submit the SOEs and withdrawal application in MXN. The Borrower may request the payment to be made in USD by requesting the Bank to pay an amount equivalent to the amount of the withdrawal application in MXN, in USD.</p>					



[Letterhead]
Ministry of Finance
[Street address]

[DATE]

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

Attention: [Country Director]

Re: IBRD Loan ____ - ____ [name of [Program] [Operation]]

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and [name of borrower] (the “Borrower”), dated _____, providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ¹[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal under this Loan.

For the purpose of delivering Applications to the World Bank, ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

⁵[This confirms that the Borrower 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 representations

¹ Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Bank.*

² Instruction to the Borrower: 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 Bank.*

³ Instruction to the Borrower: 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 Bank.*

⁴ Instruction to the Borrower: 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 Bank.*

⁵ Instruction to the Borrower: Add this paragraph if the Borrower 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 Bank.*

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 Borrower 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]

