

March 29, 2022

Mr. Rodrigo Fontenelle de Araújo Miranda
President
National Council for Internal Control - CONACI
Rodovia João Paulo II, n. 4001, Prédio Gerais, 12 andar
Bairro: Serra Verde
31.630-901, Belo Horizonte, Minas Gerais
Republic of Brazil

**Re: SFLAC Grant No. TF0B8273-BR (Governance Risk Assessment System Brazil Scale-Up)
Additional Instructions: Disbursement and Financial Information Letter**

Dear Sir,

I refer to the Letter Agreement (“Agreement”) between the National Council for Internal Control - CONACI (“Recipient”) and the International Bank for Reconstruction and Development (“World Bank”), acting as administrator of grant funds provided by the Government of Spain under the Spanish Fund for Latin America and the Caribbean (“SFLAC”), 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 TF0B8273-BR (“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 October 30, 2022, an interim unaudited financial reports (“IFR”), in form and substance satisfactory to the World Bank, covering the entire period during which withdrawals from the Grant Account were made.

(ii) Audits. Given the short implementing period of the operation and activities to be financed by the Grant, the audit requirement is eliminated. Alternative procedures, such as Financial Management supervision and review of supporting documentation of 100% project expenditures, will provide assurance that funds are only used for the intended purposes

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,

Pablo Ariel Acosta

Pablo Ariel Acosta
Acting Country Director

Attachments

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

Schedule 1 - Disbursement Provisions

Basic Information					
Grant Number	TF0B8273-BR	Country	Brazil	Closing Date	Section 3.03 of Article III to the Letter Agreement
		Recipient	National Council for Internal Control - CONACI		
		Name of the Project	Governance Risk Assessment System Brazil Scale-Up	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	Yes	<ul style="list-style-type: none"> • Copy of Records 			
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. • 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		Ceiling	Variable	
Financial Institution - Name	Banco Itaú		Currency	BRL	
Frequency of Reporting, <i>Subsection 6.3 (**)</i>	Semi-annually		Amount	Based on a six-month cash forecast	
<i>Minimum Value of Applications (Subsection 3.5 **)</i>					
The Minimum Value of Applications for Reimbursement and Direct Payment is USD 10,000.00 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:

Banco Mundial
SCES Trecho 3, Lote 05, S/N, Asa Sul
70200-003 - Brasília, DF - Brazil
Attention: Ms. Paloma Anós Casero, 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
SCES Trecho 3, Lote 05, S/N, Asa Sul
70200-003 - Brasília, DF - Brazil
Attention: Loan Operations

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

Attachment 1 - Form of Authorized Signatory Letter

[Letterhead]
[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: Grant No. TF0B8273-BR
(Governance Risk Assessment System Brazil Scale-Up)

I refer to the Grant Agreement (“Agreement”) between the [International Bank for Reconstruction and Development/International Development Association] (“World Bank”), acting as [an implementing agency of the Global Environmental Facility] [administrator of the Global Partnership on Output-based Aid] [administrator of name of the trust fund], and [name of recipient] (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 representations and warranties, including without limitation, the representations and warranties

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.*

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 PARA RECONSTRUÇÃO E DESENVOLVIMENTO
Declaração de Gastos

PAGAMENTOS REALIZADOS NO PERÍODO DE: A

Os pagamentos apresentados foram efetuados durante o período retroativo? (SIM ou NÃO):
As despesas apresentadas foram incorridas até a data de encerramento do Acordo Legal? (SIM ou NÃO):

NO. EMPRÉSTIMO/DOAÇÃO: NO. PEDIDO: NO. CATEGORIA: NO. PÁGINA:
--

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No.	Nome do fornecedor/firma/consultor/beneficiário	Breve descrição da despesa	Código da despesa	Contrato Sujeito à revisão prévia (SIM ou NÃO)	Referência do contrato	Moeda do contrato	Valor Total do Contrato	Valor acumulado do contrato (incluído em SOEs anteriores)	Número da Fatura/NF/ Recibo	Data do Pagamento	Valor Total do pagamento incluído nesse SOE	% Financiado pelo BIRD	Valor Financiado pelo BIRD (Col 12 X 13)
													0.00
													0.00
													0.00
													0.00
													0.00
													0.00
													0.00
											0.00	0.00	

Documentos de Suporte para este SOE encontram-se arquivados na _____ (Informar o nome da Unidade de Implementação do Projeto) e mediante solicitação prévia serão disponibilizados para análise das missões do BIRD ou auditores designados para este fim.

Conciliação da Conta Designada	
Empréstimo / Doação N°:	
Nome do Banco:	
Número da Conta:	
	R\$
1. Total de Depósitos	
2. Menos Total que já foi documentado	
3. Saldo Pendente (por documentar)	-
4. Saldo da Conta Designada em xx/xx/20xx (de acordo com o extrato bancário anexo	
5. Valor a ser documentado no presente Pedido n°	
6. Mais valor pendente de reposição pelo Banco ¹	
7. Mais saques efetuados ainda não documentados ao Banco ²	
8. Menos valores debitados depois do extrato bancário anexo	
9. Menos rendimentos gerados na Conta Designada	
10. Total (4 + 5 + 6 + 7 + 8 - 9)	-
11. Discrepâncias entre (3 e 10) ³	
Observações:	
1 Valores pendentes de reposição pelo Banco	
Pedido N°	Valor
	-
	-
2 Saques efetuados ainda não documentados ao Banco	
Data	Descrição
	Valor
3 Outras explicações por discrepância identificada na linha 11	

Obs.: a moeda da conciliação deve ser a mesma moeda da Conta Designada