Re: Argentina: Adaptation Fund Grant No. TF015041- Increasing Climate Resilience and Enhancing Sustainable Land Management in the Southwest of the Buenos Aires Province Project

Additional Instructions: Disbursement Letter

Excellency:

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as trustee of the Adaptation Fund, and the Argentine Republic (the "Recipient") for the above-referenced project, dated January 13, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF015041 ("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 4 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 Disbursement Condition(s) 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
Torre Bouchard
Bouchard 547,
Buenos Aires, Argentina
Attention: Sabine Hader, Acting Director
Argentina, Paraguay and Uruguay;
Latin America and the Caribbean Region

(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
Sector Comercial Norte
Quadra 02, Lote A
Edificio Corporate Financial Center
7º andar
70712-900, Brasilia, D.F.
Brazil
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient 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 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 World Bank 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 World Bank agrees, the World Bank 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 World Bank 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 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 of Applications for Direct Payments or Reimbursement is US$100,000

(vi) Advances (sections 5 and 6).

- **Type of Designated Account[s] (subsection 5.3):** Segregated.
- **Currency of Designated Account[s] (subsection 5.4):** US Dollars.
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de la Nación Argentina.
- **Ceiling (subsection 6.1):** US$500,000.

III. Reporting on Use of Grant Proceeds

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

- **For requests for Reimbursement:**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for consultant services against contracts valued at US$ 100,000 or more for consulting firms, and US$ 50,000 or more for individuals consulting;
  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures.
  - 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:**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for consultant services against contracts valued at US$ 100,000 or more for consulting firms, and US$ 50,000 or more for individuals consulting;
  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures.
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5)
  - Designated Account Activity Statement, and a copy of the Designated Account bank statement (Attachment 6).

- **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 Important 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. All Recipient 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>.

If you have any queries in relation to the above, please contact World Bank Loan Department by email loa-lcr@worldbank.org and using the TF number and project name as reference.

Yours sincerely,

By [Signature]

Sabine Hader
Acting Director
Argentina, Paraguay, and Uruguay
Latin America and the Caribbean Region

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**Attachments**

2. Form for Authorized Signatures
4. Statement of Expenditure
5. Form of Payments against contracts subject to the World Bank’s prior review
6. Designated Account Activity Statement
Cleared with and cc: Julius Martin Thaler (Counsel)
            Marcelo Héctor Acerbi (Task Team Leader)

Cc with copies: Mr. Cristian Asinelli,
               Subsecretaría de Evaluación de Proyectos con Financiamiento Externo
               Jefatura de Gabinete de Ministros
               Av. Julio A. Roca 710 – 8th Floor
               Buenos Aires, Argentina
               ascinelllic@jgm.gov.ar

Mr. Agustín Simone,
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Ms. Silvia Mucci, Programa de Proyectos con Financiamiento Externo
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smucci@ambiente.gob.ar