July 18, 2012

Viviana Caro Hinojosa
Minister of Development Planning
Ministry of Development Planning
Av. Mariscal Santa Cruz 1092
Edificio Ex-Comibo
La Paz, Plurinational State of Bolivia

Re: Bolivia: Early Childhood Care and Development
in the poorest and most vulnerable urban districts of La Paz and El Alto Project
JSDF Grant No. TF011795

Additional Instructions: Disbursement Letter

Excellency,

I refer to the Grant Agreement ("Agreement") between the Plurinational State of Bolivia ("Recipient") and the International Development Association ("World Bank") acting as administrator of grant funds provided under the Japanese Social Development Fund ("JSDF"), for the above-referenced Project dated July 18, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Grant No. TF011795. 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 four 4 months after the closing date specified in the 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 in Section 3.02 of the Agreement.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory 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  
1818 H Street, N.W.  
Washington, DC 20433  
United States of America  
Attention: Susan G. Goldmark, Director

(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  
Setor Comercial Norte  
Quadra 02, Lote A  
Edificio Corporate Finance 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 devices (“Tokens”) 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 Tokens 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 Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens") provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(iii) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Direct Payment and Reimbursement is US$60,000.

(iv) Advances (sections 5 and 6) to GAMEA.

- **Type of Designated Account (subsection 5.3):** Pooled - compatible with the manner in which the recipient is applying Supreme Decree No. 29236 which establishes a single treasury account in US dollars (CUT-ME).

- **Currency of Designated Account[s] (subsection 5.4):** US Dollar.

- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Central Bank of the Plurinational State of Bolivia.

- **Ceiling (subsection 6.1):** USD $300,000.

(v) Advances (sections 5 and 6) to GAMLIP.

- **Type of Designated Account (subsection 5.3):** Pooled - compatible with the manner in which the recipient is applying Supreme Decree No. 29236 which establishes a single treasury account in US dollars (CUT-ME).

- **Currency of Designated Account[s] (subsection 5.4):** US Dollar.

- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Central Bank of the Plurinational State of Bolivia.

- **Ceiling (subsection 6.1):** USD $300,000.

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:**
  - Summary of Expenditures in the form attached (Attachment 4) supported by records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts for:
Goods and Works costing USD $100,000 equivalent per contract or more;
Consultant firms costing USD $50,000 equivalent per contract or more; and
Individual consultants, Training and Workshops costing USD $25,000 equivalent or more; and,
- Statement of Expenditure in the form attached (Attachment 5) for payments, including Operating Costs that do not exceed the thresholds established above.

- For requests for Advances to a Designated Account:
  - Summary of Expenditures in the form attached (Attachment 3) supported by records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts for:
    - Goods and Works costing USD $100,000 equivalent per contract or more;
    - Consultant firms costing USD $50,000 equivalent per contract or more; and
    - Individual consultants, Training and Workshops costing USD $25,000 equivalent or more;
  - Statement of Expenditure in the form attached (Attachment 5) for payments, including Operating Costs that do not exceed the thresholds established above; and,
  - Designated Account Activity Statement in the form attached (Attachment 6) with a copy of the Designated Account Bank Statement.

- 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 prepare and deliver 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 the World Bank Loan Department by sending a message to loa-tf@worldbank.org and placing the project name and grant number in the subject line.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Susan G. Goldmark
Director
Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

Attachments
2. Form for Authorized Signatures
4. Summary Statement of Expenditures with supporting documentation
5. Statement of Expenditure without supporting documentation
6. Designated Account Activity Statement

Cc with copies: GAMEA
Av. 6 de Marzo No. 180
Zona 12 de Octubre
El Alto, La Paz
Bolivia
email: carlos281063@yahoo.com; van231_80@hotmail.com

GAMLMP
Calle Mercado y Colón No. 1298
La Paz, Bolivia
email: carlos.sotomayor@hotmail.com

Prepared by Patricia Hoyes - CTRLN

Cleared with and cc: Elena Segura, Counsel - LEGLA
Raja Bentaouet Kattan - TTL

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