Re: Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in Mexico Project
SCF-FIP Grant No. TF0A5334
Additional Instructions: Disbursement Letter

Dear Mr. Gonzalez Godoy,

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as Implementing Entity of the Forest Investment Program under the Strategic Climate Fund, and the Rainforest Alliance México-Alianza para Bosques A.C. ("the Recipient") for the above-referenced project, dated October 6, 2017. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Grant No. TF0A5334 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The World Bank Disbursement Guidelines for Investment Project Financing, dated February, 2017, ("Disbursement Guidelines") (Attachment 1), is 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:

- Advance
- Direct Payment
- Reimbursement

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four 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 Conditions 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
1818 H Street, N.W.
Washington, DC 20433
Attention: Gerardo M. Corrochano, Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed Applications for withdrawal, together with supporting documents, 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 address indicated below:

Banco Mundial
SCN Quadra 02, Lote A
Ed. Corporate Financial Center, 7º Andar
70712-900 Brasilia, D.F. – Brazil
Attention: Loan Operations

(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 Reimbursements and Direct Payments is MXN 1,500,000.

(vi) Advances (sections 5 and 6)

- **Type of Designated Account (subsection 5.3)**: Segregated.

- **Currency of Designated Account (subsection 5.4)**: Mexican Pesos (MXN).

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5)**: City-Banamex

- **Ceiling (subsection 6.1)**: MXN 15,000,000.

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, Advance and reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditure in the form attached (Attachment 4) for all payments;

- **For requests for Direct Payment:** Records evidencing eligible expenditures, e.g. copies of receipts, and 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 Jose Janeiro (jjaneiro@worldbank.org), Senior Finance Officer at the World Bank Loan Operations. Kindly place the grant number and name in the subject line.

Yours sincerely,

Gerardo M. Corrochano
Director
Colombia and Mexico
Latin America and the Caribbean Region

Attachments:

1. World Bank Disbursement Guidelines for Investment Project Financing, February 2017
2. Authorized Signature Sample Letter
3. Terms and Conditions of Use of Secure Identification Credentials
4. Statement of Expenditures