Dear Mr. Diaz,

I refer to the Letter of Agreement between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided under the Multidonor Trust Fund for Youth Investment, and Fundación Villa Rica ("Recipient"), for the benefit of Republic of Colombia ("Member Country"), for the above-referenced project, dated June 13, 2012. The Letter of Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of the Trust Fund No. TF010108 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions. An initial Disbursement Letter was issued on June 13, 2012. This Revision changes the name of the Bank in which the Designated Account is to be opened.

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 Financing 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 Financing:

- Advance
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the Association.

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 Association 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: Ms. Françoise Clottes, Country Director

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

Banco Mundial  
Sector 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 Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association’s Client Connection, web-based portal. The option to deliver Applications to the Association 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 Association 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 Association agrees, the Association 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 Association 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.

(v) Advances (sections 5 and 6)

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** Colombian Peso
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de Bogota
- **Ceiling (subsection 6.1):** Colombian Pesos 18,000,000

III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each Application as set out below:

- For reporting eligible expenditures paid from the Designated Account:
  - Statement of Expenditure in the form attached (Attachment 4); and,
  - Reconciliation of the Designated Account, in the form attached (Attachment 6), with a copy of the Designated Account Bank Statement(s).

(ii) **Frequency of Reporting Eligible Expenditures paid from the Designated Account (subsection 6.3):** Monthly

IV. Other Important Information


If you have not already done so, the Association 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 Financing, 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 Association by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact us at loaner@worldbank.org using the above Financing No. and Project name as a reference.

Yours sincerely,

Vidya Narasimhan
Finance Officer
CTRLN

Attachments are with the original Disbursement Letter