Re: IBRD Loan No. 8165-MX (Modernization of the National Meteorological Service for Improved Climate Adaptation Project)

Additional Instructions: Disbursement Letter

Dear Sirs,

I refer to the Loan Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”) and the United Mexican States (the “Borrower”) for the above-referenced project, dated August 3, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Loan No. 8165-MX (“Loan”). 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 Loan 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 Disbursement Method for this project is Reimbursement.

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in Section IV.B.2 to Schedule 2 of the Loan Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the specific Disbursement Conditions specified in Section IV.B.1 to Schedule 2 of the Loan Agreement.

II. Withdrawal of Loan 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
Insurgentes Sur 1605, Piso 24
San José Insurgentes
03900 México
D.F. México

Attention: Ms. Gloria M. Grandolini
Director
Colombia and Mexico,
Latin America and the Caribbean Region

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

The World Bank
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 Borrower 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 Borrower has designated in writing,
pursuant to the terms of the following subparagraph 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 Borrower have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Borrower 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 Borrower 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 Borrower.

- **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 Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Device 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.

**(iv) Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications is United States Dollars (USD) $4,200,000 equivalent.

**III. Reporting on Use of Loan Proceeds**

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

**For requests for Reimbursement**

- Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for: (i) **Goods and Works** against contracts valued at USD$400,000 equivalent or more; (ii) Consulting **Firms**, against contracts valued at USD$250,000 equivalent or more; and (iii) **Individual** Consultants, against contracts valued at USD$100,000 equivalent or more, in the form attached (Attachment 4A - Statement of Expenditures with supporting documentation);

- Statement of Expenditures in the form attached (Attachment 4B - Statement of Expenditure without supporting documentation) for all other expenditures / contracts below the above mentioned thresholds, including Non-consulting services, training and Operating costs; and

- List of payments against contracts that are subject to the Bank's prior review, in the form attached (Attachment 5).
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 (http://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower 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 us at loancr@worldbank.org (with copy to Victor Ordonez, Finance Officer at vconde@worldbank.org) using the above Loan number as a reference.

Yours sincerely,

By

Gloria M. Grandolini
Director
Colombia and Mexico
Latin America and the Caribbean Region

Attachments

1 World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2 Form for Authorized Signatures
3 Terms and Conditions of Use of Secure Identification Device in connection with Use of Electronic Means to Process Applications for Withdrawal and Supporting Documentation, dated January 15, 2010
4A Format - Statement of Expenditures with supporting documentation
4B Format - Statement of Expenditures without supporting documentation
5 List of payments against contracts that are subject to the Bank’s prior review
Cc with copies: Ismael Díaz Aguilera  
Subdirector de Financiamiento Internacional  
Banco del Ahorro Nacional y Servicios Financieros, S.N.C.  
México D.F.