Her Excellency
Viviana Caro Hinojosa
Minister of Development Planning
Palacio de Comunicaciones, Piso 5
Ave. Mariscal Santa Cruz, esq. Oruro
La Paz, Plurinational State of Bolivia

Re: PLURINATIONAL STATE OF BOLIVIA: IDA Credit No. 4923-BO (National Roads and Airport Infrastructure Project)
Additional Instructions: Disbursement Letter

Excellency:

I refer to the Financing Agreement (“Agreement”) between the International Development Association (the “Association”) and the Plurinational State of Bolivia (the “Recipient”), dated May 17, 2011. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of Credit No. 4923-BO (“Financing”). 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 following Disbursement Methods may be used under the Financing:

- Reimbursement
- Advances
- Direct Payments

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Finance Agreement. Any changes to this date will be notified by the World Bank.
(iii) **Disbursement Conditions (subsection 3.7).** Please refer to the Disbursement Condition(s) in Schedule 2, Section IV, B of the Agreement.

**II. Withdrawal of Financing 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:

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The World Bank
1818 H Street, NW
Washington D.C., 20433, USA
Attention: Laura Frigenti, Acting Director
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(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed and signed applications for withdrawal together with supporting documents required, to the address indicated below:

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The World Bank
1818 H Street, NW
Washington D.C., 20433, USA
Attention: Loan Department
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(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](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](https://clientconnection.worldbank.org) (“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) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Reimbursement and Direct Payments is US$200,000.

(vi) Advances (sections 5 and 6) to ABC.

- 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).


- Ceiling (subsection 6.1): US$2,000,000.

(vii) Advances (sections 5 and 6) to AASANA.

- 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).


- Ceiling (subsection 6.1): US$500,000.

III. Reporting on Use of Financing 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 Reports, in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for:
    - Works contract valued at US$100,000, equivalent per contract or more;
    - Goods and Consulting Firm contracts valued at US$50,000 equivalent per contract or more;
- Individual Consulting, and Non-Consultant Services contracts valued at US$30,000 equivalent or more;
- Training and Operating Costs valued at US$20,000 equivalent or more; and

- Statement of Expenditure, in the form attached (Attachment 5) for all other expenditures that do not exceed the thresholds established above.

- **For reporting eligible expenditures paid from the Designated Account:**
  - Summary Reports, in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for:
    - Works contract valued at US$100,000, equivalent per contract or more;
    - Goods and Consulting Firm contracts valued at US$50,000 equivalent per contract or more;
    - Individual Consulting, and Non-Consultant Services contracts valued at US$30,000 equivalent or more;
    - Training and Operating Costs valued at US$20,000 equivalent or more;

- Statement of Expenditure, in the form attached (Attachment 5) for all other expenditures that do not exceed the thresholds established above; and
- A Designated Account activity/reconciliation statement, in the form attached (Attachment 6) together 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 Disbursement Instructions**

Retroactive Financing – The proceeds of the credit may finance up to a maximum of USD$20,000,000 for eligible expenditures incurred on or after March 1, 2011, but no more than one year from signing, whichever is later.

V. **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 download Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact the World Bank Loan Department by sending a message to loa-lcr@worldbank.org and placing the project name and loan number in the subject line.

Sincerely,

By /s/ Laura Frigenti
Acting Director
Bolivia, Chile, Ecuador, Perú and Venezuela
Latin America and the Caribbean Region

**Attachments**
2. Form for Authorized Signatures
3. Terms and Conditions of Use of Tokens
4. Summary Reports
5. Statement of Expenditures
6. Designated Account Activity Statement

Cc with copies: Harley Rodríguez
Viceministro VIPFE
Luis Sánchez
Presidente Ejecutivo ABC
Isela Bermúdez
Coordinadora ABC
Raúl Velasco Ramos
Director Ejecutivo Nacional AASANA
Jorge Luis Carpio
Coordinador AASANA

DL Prepared by: Patricia Hoyes, Senior Finance Officer
DL Reviewed and cleared by: Mariana Montiel, LEGLA