January 11, 2018

Dr. Sergio López Ayllón
Director General
Centro de Investigación y Docencia Económicas (CIDE), A.C.
Carretera México-Toluca 3655 (Km 16.5)
Colonia Lomas de Santa Fe
Ciudad de México, 01210
México

Re: CLEAR Grant No. TF0A6503
CLEAR Center for Spanish-Speaking Latin America Project – Phase 2
- Additional Instructions: Disbursement Letter

Dear Dr. López Ayllón:

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Trust Fund for Regional Centers for Learning on Evaluation and Results No. TF071407 ("CLEAR Trust Fund"), and the Centro de Investigación y Docencia Económicas ("CIDE" or "Recipient") for the benefit of the Member Countries (as defined in the Annex to the Grant Agreement) for the above-referenced project, dated January 12, 2018. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF0A6503 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached Disbursement Guidelines for Investment Project Financing, dated February, 2017, ("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 4 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 Condition(s) 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, NW  
Washington, DC 20433  
United States of America  
Attention: Mr. Jorge Familiar Calderon  
Regional Vice President for Latin America and the Caribbean

(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed 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, in accordance with subsection 3.3, to the address indicated below:

Banco Mundial  
SCN, Quadra 02, Lote A -Edificio Corporate Financial Center  
7o andar - 70712-900  
Brasilia, DF - Brazil  
Attention: Loan Operations

(iii) **Electronic Delivery (subsection 3.4)** 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 SDIC 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 USD 50,000 equivalent.

(vi) Advances (sections 5 and 6) to CIDE

- Type of Designated Account[s] (subsection 5.3): Segregated
- Currency of Designated Account[s] (subsection 5.4) MXN (Mexican Peso)
- Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5): Banco Mercantil del Norte
- Ceiling (subsection 6.1): MXN 1,500,000

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 and reporting eligible expenditures paid from the Designated Account:
  - Statement of Expenditures in the form attached (Attachment 4); and
  - Designated Account Bank Statement (s) and Reconciliation Sheet in the form attached (Attachment 5) applicable only when reporting eligible expenditures paid from the Designated Account.

- 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 or more often if required

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 Maria Virginia Hormazabal, Finance Officer at mhormazabal@worldbank.org with copy to Renata Pantoja, Finance Analyst at rpantoja@worldbank.org using the Trust Fund number as a reference.

Yours sincerely,

Jorge Familiar Calderon
Regional Vice President
Latin America and the Caribbean Region

Attachments:

2. Form for Authorized Signatures
4. Statement of Expenditures
5. Designated Account Reconciliation