December 16, 2011

CONFORMED COPY

His Excellency
Fernando Lorenzo
Minister of Economy and Finance
Ministry of Economy and Finance
Colonia 1089- 3rd Floor
Montevideo, Uruguay

Re: Uruguay: IDF Grant for Supporting the Ministry of Finance to Promote Uruguay's Economic Potential Project-IDF Grant No.TF099448

Additional Instructions: Disbursement Letter

Amendment to the Disbursement Letter dated May 3, 2011

Excellency:

I refer to the Letter Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”) and the Oriental Republic of Uruguay (the “Recipient”) for the above-referenced project, dated May 3, 2011. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF099448 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions, and replaces the previous version of the Disbursement Letter dated May 3, 2011 to update the name of the financial institution at which the Designated Account will 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 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
- Reimbursement
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in section 3.03 in the Annex to the Agreement. Any changes to this date will be notified by the World Bank.

**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  
Torre Bouchard  
Bouchard 547,  
Buenos Aires, Argentina  
Attention: Penelope Brook, Country Director

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

Banco Mundial  
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 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 the subparagraph below, 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 (“Terms and Conditions of Use of Tokens”) provided in Attachment 4; 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 is 20% of the first deposit to the Designated Account.

(vi) Advances (sections 5 and 6).

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

- **Currency of Designated Account (subsection 5.4):** United States Dollars.

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco Central del Uruguay.

- **Ceiling (subsection 6.1):** United States Dollars $ 140,000.

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 reporting eligible expenditures paid from the Designated Account and for requests for Reimbursement:**
  
  o Records evidencing eligible expenditures (e.g., copies of receipts, suppliers/contractors’ invoices) for payments for consultant services against contracts valued at USD100,000 or more for consulting firms, and USD50,000 or more for individuals (Attachment 3A – with supporting records).

  o Statement of Expenditure in the form attached (Attachment 3B – without supporting documents) for all other expenditures, including Goods and Training.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly.

IV. Other Important Information

From the Client Connection 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.

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 Victor Ordonez Conde, Finance Officer at vconde@worldbank.org using the above reference.

Yours sincerely,

/s/ Victor Ordonez
Finance Officer, Loan Department
The World Bank

Attachments:

1  World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2  Form for Authorized Signatures
3A Statement of Expenditure with supporting documents – above SOE thresholds
3B Statement of Expenditure without supporting documents – below SOE thresholds
4  Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated January 20, 2010
Prepared and amended by: Victor Ordonez, CTRLN (CTRLD)

Cleared with and cc: Fabiola Altimari, Senior Counsel, LEGLA
Yanina Budkin, Task Team Leader (LCREA)