November 19, 2012

His Excellency
Mr. Mauricio Cárdenas Santamaría
Minister of Finance and Public Credit
Ministry of Finance and Public Credit
Carrera 8 No. 6C-38 piso 3
Bogotá, D.C
República de Colombia

Re: IBRD Loan 7824-CO (Republic of Colombia Justice Services Strengthening Project - APL Phase I)

Additional Instructions: AMENDED Disbursement Letter

Excellency,

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “Bank”) and the Republic of Peru (the “Borrower”) for the above-referenced project, dated February 16, 2010. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 7824-CO (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions, and replaces the original Disbursement Letter dated November 5, 2009 (and its amendment dated March 31, 2010) to temporarily increase the ceiling of the Designated Account from USD $1,000,000 to USD $5,000,000.

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 Loan:

- Advance
- Reimbursement
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in 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 Disbursement Condition in 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 for withdrawal:

The World Bank  
1818 H Street, NW  
Washington D.C., 20433,  
United States of America  
Attention: Ms. Gloria Grandolini, Country Director

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

Banco Mundial  
Setor Comercial Norte  
Quadra 02, Lote A  
Ed. Corporate Financial Center, 7º andar  
70712-900 Brasilia, D.F.  
Brazil  
Attention: Loan Department

(iii) **Electronic Delivery (subsection 3.4)** The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank’s Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower 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 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 Bank agrees, the 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](https://clientconnection.worldbank.org)). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

(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 Borrower 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") (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 for Direct Payments and Reimbursement is United States Dollars (US$) 200,000 equivalent.

(vi) Advances (sections 5 and 6).

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

- **Currency of Designated Account[s] (subsection 5.4):** United States Dollars (US$).

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de la República.

- **Ceiling (subsection 6.1):**
  A) **US$5,000,000** until June 30, 2013, and
  B) **US$1,000,000** from July 1, 2013 to project’s Closing Date.

III. Reporting on Use of Loan 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:**
  - Statement of Expenditures – with supporting documentation evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) in the form attached (Attachment 3A) for payments made under:
    - Works, Goods and Non-Consulting Services contracts costing US$250,000 equivalent per contract or more;
    - Consultant firm contracts costing US$100,000 equivalent per contract or more; and
    - Individual consultant contracts costing US$50,000 equivalent per contract or more.
  - Statement of Expenditure – without supporting documentation, in the form attached (Attachment 3B), for payments against contracts that do not exceed the thresholds established above;
  - List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 5); and
  - Designated Account Bank Statement and Activity Reconciliation (Attachment 6)
• **For requests for Reimbursement:**
  - Statement of Expenditures – with supporting documentation evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) in the form attached (Attachment 3A) for payments made under:
    - Works, Goods and Non-Consulting Services contracts costing US$250,000 equivalent per contract or more;
    - Consultant firm contracts costing US$100,000 equivalent per contract or more; and
    - Individual consultant contracts costing US$50,000 equivalent per contract or more.
  - Statement of Expenditure – without supporting documentation, in the form attached (Attachment 3B), for payments against contracts that do not exceed the thresholds established above; and
  - List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 5).

• **Direct Payments:**
  - 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):** Monthly.

**IV. Other Important Information**


From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact Victor Ordonez Conde, Sr. Finance Officer at vconde@worldbank.org using the above reference.

Sincerely,

[Signature]

Victor Ordonez
Sr. Finance Officer, Loan Department
The World Bank
Attachments

**Note 1** – The following attachments, as per the original Disbursement Letter (November 5, 2009) remain valid.

1 - World Bank Disbursement Guidelines for Projects, dated May 1, 2006  
2 - Form for Authorized Signatory Letter  
3A - Statement of Expenditure with supporting documents (Above SOE thresholds)  
3B - Statement of Expenditure without supporting documents (Below SOE thresholds)

**Note 2** – The following attachment, as per the amendment to the Disbursement Letter (March 31, 2010) remains valid.

4 - 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

**Note 3** – New attachments (provided below)

5 - List of payments against contracts that are subject to the Bank's prior review (format)  
6 - Designated Account activity reconciliation (format)
Attachment 5

Payments Made during Reporting Period
Against Contracts Subject to the Bank's Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB's Share of Amt Paid to Supplier during Period</th>
</tr>
</thead>
</table>
**DESIGNATED ACCOUNT RECONCILIATION STATEMENT**

**LOAN/CREDIT/PPF/COFINANCER NUMBER:**
**ACCOUNT NUMBER:**
**WITH (BANK):**

1. **TOTAL ADVANCED BY WORLD BANK (OR COFINANCER):** $ ______________
2. **LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK:** $ ______________
3. **EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2):** $ ______________

**BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE:** $ ______________

5. **PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO.:** $ ______________
6. **PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON:** $ ______________
7. **PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS**

<table>
<thead>
<tr>
<th>APPLICATION NO.</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED:** $ ______________

8. **MINUS: INTEREST EARNED:** $ ______________
9. **TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9):** $ ______________

10. **EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:**

11. **DATE:** ______________
    **SIGNATURE:** ______________
    **TITLE:** ______________

- **ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENT**