Her Excellency
Ms. Viviana Caro Hinostroza
Minister
Ministry of Development Planning
La Paz, Bolivia

Re: IDA Credit No. 5168-BOLIVIA: Additional Financing for Urban Infrastructure Project
Additional Instructions: AMENDED Disbursement Letter

Excellency:

I refer to the Finance Agreement ("Agreement") between the International Development Association (the "World Bank"), and the Plurinational State of Bolivia (the "Recipient"), for the above-referenced project, dated March 21, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of IDA Credit No. 5168-BO ("Financing"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This letter is the First Restatement of the Disbursement Letter dated March 21, 2013, for the above referenced project restating (i) Section II (ii) to update the address where withdrawal application should be sent; (ii) updating Section II (iii) with the latest provisions for electronic delivery including the related attachments; and (iii) clarifying the Designated Account arrangements for GAMLP and GAMEA. All other provisions and attachments of the Disbursement Letter dated March 21, 2013, shall remain in force and effect.

The World Bank Disbursement Guidelines for Projects, dated May 1, 2006 ("Disbursement Guidelines") are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Financing 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 Payment
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is 4 months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the World Bank.

(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Withdrawal Condition(s) in Schedule 2, Section IV (B) of the Financing Agreement.

II. **Withdrawal of Credit Proceeds**

(i) **Authorized Signatures (subsection 3.1).** A letter in the form attached (Attachment 1) should be furnished to the World Bank at the address indicated below providing the names and specimen signatures of the officials authorized to sign Applications:

The World Bank  
1818 H Street, N.W.  
Washington, DC 20433  
United States of America  
Attention: C. Felipe Jaramillo, 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 Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association’s Client Connection, web-based portal. The option to deliver Applications to the Association 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 Association 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 Association agrees, the Association 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://www.clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Association 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 SIDC 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 Secure Identification Credentials”) provided in Attachment 2; and (b) cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is US$ 200,000 for Direct Payment and Reimbursement.

(vi) Advances (sections 5 and 6)

(1) For Category 1 (Part A of the project) Account D- La Paz Municipality (GAMLP)
(2) For Category 2 (Part B of the project) Account E- El Alto Municipality (GAMEA)

- 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).
- Currency of Designated Account (subsection 5.4): US Dollars
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Central Bank of the Plurinational State of Bolivia.
- Ceiling (subsection 5.6): US$1,000,000 individually per account.

III. Reporting on Use of Credit Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.
- For requests for Reimbursement:
  o Summary Statement with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts for:
    - Works contract valued at US$1,000,000 equivalent or more;
    - Goods contract valued at US$200,000 equivalent or more;
    - Consulting Firms contract valued at US$100,000 equivalent or more;
    - Individual Consultants contract valued at US$50,000 equivalent or more;
• States of Expenditure for all other payments; and
• List of Payments under Contracts Subject to the Bank’s Prior.

• For reporting eligible expenditures paid from the Designated Account:
  • Summary Statement with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts for:
    - Works contract valued at US$1,000,000 equivalent or more;
    - Goods contract valued at US$200,000 equivalent or more;
    - Consulting Firms contract valued at US$100,000 equivalent or more;
    - Individual Consultants contract valued at US$50,000 equivalent or more;
  • Statements of Expenditure for all other payments;
  • List of Payments under Contracts Subject to the Bank’s Prior Review; and,
  • Designated Account Activity Statement with a copy of the Designated Account Bank Statement.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly or more often if needed.

IV. Other Disbursement Instructions

Per Supreme Decree No. 29236, which establishes a single treasury account in US dollars (CUT-ME), which has been reviewed and accepted by the Bank, the recipient will receive funds from Credit No. 4247-BO and Additional Financing Credit No. 5168-BO in a pooled account (CUT-ME). For each entity (GAMLIP and GAMEA) a separate ledger account (“libreta”) will be opened within the Single Treasury Account in Bolivianos from which all payments and disbursements to beneficiaries’ bank accounts will be processed, in accordance with the procedures established in the Operational Manual. This means that the recipient will account for the funds received from Credit No. 4247-BO separately than from the funds received under the Additional Financing Credit No. 5168-BO. In addition, the DA ceiling of USD $1,000,000 will apply individually to each sub-ledger account opened on behalf of GAMLIP and GAMEA.

V. 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 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 Loan, 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 an email to loans@worldbank.org and naming the project and financing number in the subject line.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Patricia Hoyes
Senior Finance Officer
World Bank Loan Department
Attachments

1. Form for Authorized Signatures
2. Terms and Conditions of Use of Secure Identification Credentials (SIDC) in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013
The World Bank

Dear [Country Director]:

Dear [Country Director],

I refer to the Financing Agreement ("Agreement") between [name] (the "Recipient") and the International Development Association (the "World Bank"), dated [date], providing the above Financing. For the purpose of Section 2.03 of the General Conditions, as defined in the Agreement, any [1] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under this Financing.

For the purpose of delivering Applications to the Association, [2] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient, acting [individually] [jointly] to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

[3] This confirms that the Recipient is authorizing such persons to accept Tokens and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions. 

---

1. Instruction to the Recipient: Stipulate if more than one person needs to sign Applications, and how many of which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the Association.

2. Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the Association.

3. Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the Association.

4. Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the Association.

5. Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Tokens and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the Association.
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"), the Recipient represents and warrants to the Association that it will deliver to each such person a copy of the Terms and Conditions of Use of Tokens and will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position]  Specimen Signature: __________________

[Name], [position]  Specimen Signature: __________________

[Name], [position]  Specimen Signature: __________________

Yours truly.

/ signed /

______________________________
[Position]
The World Bank (Bank)\(^6\) will provide secure identification credentials (SIDC) to permit the Borrower to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC) website (https://client.connection.worldbank.org) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and
register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.

2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.

3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. Security

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify

4.5. The Borrower shall immediately notify the Bank at

4.6. In the event of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.
5. **Reservation of Right to Disable SIDC**

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, i.e. deactivate a SIDC User’s Account or both.

6. **Care of Physical Tokens**

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. **Replacement**

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User’s Account.