Re: BOLIVIA: Emergency Recovery and Disaster Management Project
Additional Financing of the Project, IDA 4440-BO

Additional Instructions: Restated Disbursement Letter

I refer to the Financing Agreement ("Agreement") between the International Development Association ("World Bank"), and the Republic of Bolivia (the "Recipient") for the above-referenced project, dated November 18, 2008. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of aforementioned financing ("Financing"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the notice to the Borrower regarding request for withdrawal from the Credit Account.

This letter is the First Restatement of the Disbursement Letter dated November 18, 2008 for the above referenced project, restating Section II (ii) to update the address where withdrawal application should be sent and updating Section II (iii) with the latest provisions for electronic delivery including the related attachments. All other provisions and attachments of the Disbursement Letter dated November 18, 2008, 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 3.7).** Please refer to the Disbursement Condition(s) in Schedule 2, section IV, B, of the Financing Agreement.

II. **Withdrawal of Financing 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 name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
1818 H Street, N.W.  
Washington, DC 20433  
United States of America  
Attention: Carlos Felipe Jaramillo, 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  
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://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) 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 Payment and Reimbursement is US$50,000 for UPCERR and US$100,000 for FPS. (same as the original credit)

(vi) Advances (sections 5 and 6). No additional advances to Designated Accounts will be required under the Additional financing. Instead the project will maintain the Advances to the Designated Accounts established for the original which are the following:

Advances to the Unit of Strategic Planning and Coordination for Risk Reduction (UPCERR).

- **Type of Designated Account (subsection 5.3):** Segregated
- **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 Bolivia
- **Ceiling (subsection 6.1):** USD $300,000

Advances (sections 5 and 6) to Productive & Social Investment Fund (FPS).

- **Type of Designated Account (subsection 5.3):** Segregated
- **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 Bolivia
- **Ceiling (subsection 6.1):** USD $1,000,000
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, which is the same requirements for the original credit:

- **For requests for Reimbursement:**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for contracts for:
    - Civil works costing US$3,000,000 equivalent per contract or more;
    - Goods costing US$200,000 equivalent per contract or more;
    - Consultant firms costing US$100,000 equivalent per contract or more; and
    - Individual consultants costing US$25,000 equivalent or more;
  - Customized Statement of Expenditure for payments of FPS’s administrative costs in accordance with the other instructions included in this letter;
  - Statement of Expenditure for payments that do not exceed the thresholds established above; and
  - List of payments against contracts that are subject to the World Bank’s prior review.

- **For requests for Advances to a Designated Account:**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for contracts for:
    - Civil works costing US$3,000,000 equivalent per contract or more;
    - Goods costing US$200,000 equivalent per contract or more;
    - Consultant firms costing US$100,000 equivalent per contract or more; and
    - Individual consultants costing US$25,000 equivalent or more;
  - Customized Statement of Expenditure for payments of FPS’s administrative costs in accordance with the other instructions included in this letter;
  - Statement of Expenditure for payments that exceed the thresholds established above;
  - Designated Account Activity Statement in the form;
  - Copy of the Designated Account Bank Statement; and
  - List of payments against contracts that are subject to the World Bank’s prior review.
• **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)**: Monthly for the UPCERR and Quarterly for the FPS

IV. **Other Disbursement Instructions**

**Disbursement Category 2 (e)**

Under the Original Credit, FPS’s administrative costs, corresponding to Category 2 (e), will be disbursed following an output-based disbursement mechanism, which consists of disbursing on the basis of out-puts up to 5% on the total cost of the sub-project. This 5% (which breakdown is presented in Annex 7 of the PAD for the original credit 4377-BO) will be disbursed as follows:

- 2.25% for sub-projects with contract signed
- 2.25% for sub-projects under implementation
- 0.50 % for sub-projects with administrative closing
- A fixed amount of Bs 1,300 for each sub-project under U$5,000, completed and reimbursed to the municipality.

To this end, FPS will prepare customized SOE report in the form. Each report will detail the following:

- i) the list of sub-projects under US$5,000 completed and reimbursed;
- ii) the list of sub-projects with contracts signed;
- iii) the amounts disbursed for each sub-project under execution for a defined period of time; and
- iv) the list of sub-projects completed with administrative closing.

These reports will be submitted periodically to UPCERR, which would express conformity on the outputs completed by FPS, per an agreed upon procedure.

**Retroactive Financing for Disbursement Category 2 (c) and 2 (d)**

Under the Additional Financing, Part 2 (c) of the project, as described in the legal agreement, which corresponds to Disbursement Category 2 (c) and 2 (d), may finance retroactive costs of carrying out of small mitigation and rehabilitation works and financing of goods for the La Niña 2007-08 event. In the case of retroactive financing, the Ministry of Planning will be responsible for collecting and submitting to the FPS the required documentation, and to this end, FPS will be required to submit, along with the required supporting documentation, a certification by the Ministry of Planning confirming compliance with the eligibility criteria set out in the credit agreement and validity of the documents.
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. For more information about the website and registration arrangements, please contact Maria Claudia Encinas Ossio at cencinas@worldbank.org of the World Bank Bolivia country office in La Paz.

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 credit 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

Cc with copies: Luis Arce Catacora, Minister, Ministry of Finance
Miguel Rojas, Vice Minister, Vice Ministry of Territorial and Environmental Planning
Roxana Alcoba, Vice Minister, Vice Ministry of Public Investment and External Finance
Myragliha Giles, Acting Director of External Financing, Vice Ministry of Public Investment and External Finance
Corali Cusilayme, External Financing Analyst, Vice Ministry of Public Investments and External Financing
Vladimir Sanchez, Executive Director, Productive and Social Investment Fund
Juan Carlos Munguia, Financial Manager, Productive and Social Investment Fund
[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
[address]

Dear [Country Director]:

Re: IDA Credit No. 
(Project Name)

I refer to the Financing Agreement ("Agreement") between [name] (the "Recipient") and the International Development Association (the "World Bank") , dated _______, providing the above Financing. For the purposes of Section 2.03 of the General Conditions, as defined in the Agreement, any [one] 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, [each] of the persons whose authenticated specimen signatures appears 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.

[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 of the Agreement.]  

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1 Instruction to the Recipient: Stipulate if more than one person needs to sign Applications, and how many or 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]
Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation

March 1, 2013

The World Bank (Bank)\(^6\) will provide secure identification credentials (SIDC) to permit the Borrower\(^7\) 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://clientconnection.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

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\(^6\)“Bank” includes IBRD and IDA.

\(^7\)“Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
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 clientconnection@worldbank.org.

4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org 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, de-activate 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.