Re: IDA Credit 5003-BO: Bolivia-Agricultural Innovation and Services Project

Additional Instructions: AMENDED Disbursement Letter

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "World Bank") and the Plurinational State of Bolivia (the "Recipient"), dated August 22, 2011. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Credit No. 5003-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 August 22, 2011 for the above referenced project, restating Section II (ii) to update the address where withdrawal application should be sent, updating Section II (iii) with the latest provisions for electronic delivery including the related attachments, and revising Section III (i) to eliminate the threshold for sending records evidencing eligible expenditures for payments made under contracts for Operating Costs. All other provisions and attachments of the Disbursement Letter dated August 22, 2011, 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 Payments
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Finance Agreement. Any changes to this date will be notified by the World Bank.

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, NW  
Washington D.C., 20433, USA  
Attention: Laura Frigenti, Acting 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 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 subparagraph (i) of this Section, 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). 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 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 Reimbursement and Direct Payments is US$500,000.

(vi) **Advances (sections 5 and 6) to INIAF.**

- **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[s] (subsection 5.4):** US Dollar

- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Central Bank of the Plurinational State of Bolivia

- **Ceiling (subsection 6.1):** US$3,000,000

### 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:

- **For requests for Reimbursement:**
  - Summary Reports with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for:
    - Goods and Consulting Firm contracts valued at US$50,000 equivalent per contract or more; and
    - Individual Consulting, and Non-Consultant Services contracts valued at US$25,000 equivalent or more
    - Training Cost valued at US$15,000 equivalent or more; and,
  - Customized Statement of Expenditures for Subprojects (Category 2); and,
  - Statement of Expenditure for all other expenditures that do not exceed the thresholds established above.
• **For reporting eligible expenditures paid from the Designated Account:**
  o Summary Reports with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made for:
    - Goods and Consulting Firm contracts valued at US$50,000 equivalent per contract or more; and
    - Individual Consulting, and Non-Consultant Services contracts valued at US$25,000 equivalent or more
    - Training Costs valued at US$15,000 equivalent or more;
  o Customized Statement of Expenditures for Subprojects (Category 2);
  o Statement of Expenditure for all other expenditures that do not exceed the thresholds established above; and,
  o A Designated Account activity/reconciliation statement, in the form prescribed together with a copy of the Designated Account Bank statement.

• **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

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 ([http://clientconnection.worldbank.org](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.

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 loan number in the subject line.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

By [Signature]

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

c.c.: Ms. Nemesia Achacolo
Minister of Rural Development and Land
Avenida Camacho # 1471, entre calles Bueno y Loayza
La Paz

Mr. Erik Murillo
Director General
INIAF
Calle Batallón Colorados Nº 24, Edif. El Condor Piso 12
La Paz

Mr. Felix Marza
Project Coordinator, PISA
INIAF
Calle Batallón Colorados Nº 24, Edif. El Condor Piso 12
La Paz

Harley Rodriguez Tellez
Viceministro de Inversión Pública y Financiamiento Externo
Ministerio de Planificación del Desarrollo, Centro de Comunicaciones, Piso 11
La Paz
[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

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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.
representations and warranties, including without limitation, the representations and warranties contained in 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"), 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.

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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.
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 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 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.