Nidya Odete Legaspi Ortiz  
General Trust Delegate  
Nacional Financiera, S.N.C., I.D.B  
Fiduciary Division acting as Trustee of the Climate Change Fund  
Avenida Insurgentes Sur 1971  
Torre IV Piso 6  
Colonia Guadalupe Inn  
C.P. 01020  
Ciudad de México  
México

Rodolfo Lacy Tamayo  
Subsecretario de Planeación de Política Ambiental  
Secretaría de Medio Ambiente y Recursos Naturales SEMARNAT  
Avenida Ejército Nacional 223  
Colonia Anáhuac Sección 1  
C.P. 11320  
Ciudad de México  
México

Re: GEF Grant No. TF0A7021-MX (MEXICO – Sustainable Productive Landscapes Project)  
Additional Instructions: Disbursement and Financial Information Letter

Dear Ms. Legaspi and Mr. Lacy:

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as an implementing agency of the Global Environmental Facility, and NACIONAL FINANCIERA, S.N.C., I.D.B ("NAFIN"), acting as trustee of the Climate Change Fund ("FCC"), and UNITED MEXICAN STATES ("Mexico"), as represented by the Ministry of Environment and Natural Resources ("SEMARNAT") (jointly referred to as the "Recipient") for the above-referenced project, as of the Signature Date (as defined in the GEF Grant Agreement). The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0A7021-MX ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.
I. Disbursement Arrangements, Withdrawal and Reporting of Grant Proceeds

The attached World Bank Disbursement Guidelines for Projects, dated February 1, 2017, ("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

The table in Schedule I sets out the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Electronic Delivery.

The World Bank may permit the Recipient to electronically deliver applications (with supporting documents) through the World Bank’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This option may be effected if the officials designated in writing by the Recipient who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. 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. 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, available in the World Bank’s public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank’s website (http://www.worldbank.org/) and “Client Connection”. The World Bank recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. 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 Jose Janeiro, Senior Finance Officer at jjaneiro@worldbank.org, with copy to Fernanda Balduino, Finance Analyst at fbalduino@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Pablo Saavedra
Country Director
Mexico
Latin America and the Caribbean Region

Attachments
1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
## Schedule 1: Disbursement Arrangements

<table>
<thead>
<tr>
<th>GEF Grant Number</th>
<th>Country: MEXICO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recipient</strong></td>
<td>NAFIN acting as trustee of the FCC, and Mexico, as represented by SEMARNAT</td>
</tr>
<tr>
<td><strong>Name of the Project</strong></td>
<td>Sustainable Productive Landscapes Project</td>
</tr>
</tbody>
</table>

### Disbursement Methods

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods Available</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2 (***)</td>
<td></td>
<td>Subsections 4.3 and 4.4 (***)</td>
</tr>
<tr>
<td>Direct Payment</td>
<td>No</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure (Attachment 2)</td>
</tr>
<tr>
<td>Designated Account:</td>
<td>Yes</td>
<td>Statement of Expenditure (Attachment 2)</td>
</tr>
<tr>
<td>Special Commitments:</td>
<td>No</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

### Type

<table>
<thead>
<tr>
<th>Type</th>
<th>Pooled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution - Name</td>
<td>BBVA Bancomer</td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>USD</td>
</tr>
<tr>
<td>Frequency of Reporting, Subsection 6.3 (***)</td>
<td>Quarterly</td>
</tr>
<tr>
<td><strong>Amount</strong></td>
<td>7,500,000</td>
</tr>
</tbody>
</table>

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**With regards to disbursement category 3 of the Grant Agreement, the eligible expenditure is the deposit into the PCG / Guarantee Fund Account. Evidence of the Capitalization of the PCG / FIRA (FEGA) Guarantee Fund Account will consist of a statement of the Guarantee Fund Account, an account opened exclusively for the purposes stated in the GEF Grant Agreement, showing the amount deposited, together with the fulfillment of disbursement conditions, if any.**

Not applicable
Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Dear [Country Director]:

Re: GEF Grant No. TFA7021-MX (MEXICO - Sustainable Productive Landscapes Project)

I refer to the Grant Agreement ("Agreement") between the [International Bank for Reconstruction and Development/International Development Association] ("World Bank"), acting as [an implementing agency of the Global Environmental Facility] [administrator of the Global Partnership on Output-based Aid] [administrator of name of the trust fund], and [name of recipient] (the "Recipient”), dated ________, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard 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 [and applications for a special commitment] under this Grant.

For the purpose of delivering Applications to the World Bank, [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 World Bank.

[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SICD) and to deliver the Applications and supporting documents to

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1 Instruction to the Recipient when sending this letter to the World Bank: 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 World Bank.

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 World Bank.

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 World Bank.

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 World Bank.
the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in 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 SIDC"), the Recipient represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.]

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

[Name], [position] Specimen Signature: ______________________

[Name], [position] Specimen Signature: ______________________

[Name], [position] Specimen Signature: ______________________

Yours truly,

/ signed /

[Position]

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5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials 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 World Bank.
## Attachment 2 – Statement of Expenditure

The following expenditures have been incurred during the reporting period (please tick)

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplier’s Name</th>
<th>Brief Description of the Expenditure</th>
<th>Contract No (Yes/No)</th>
<th>Contract Details (Yes/No)</th>
<th>Exchange Rate</th>
<th>Date of Payment</th>
<th>Total Amount of Goods/Services Received</th>
<th>% of Goods/Services Financed in the Bank</th>
<th>Exchange Rate</th>
<th>Amount Withdrawn from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account (Col 11 x 12)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

Supporting documents for this SOE are retained at

[Signature]

A separate form should be used for each category.