Dear Dr. Salazar:

I refer to the Letter Agreement between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided under the Global Fund for Youth Investment, and Instituto Tobias Emanuel ("Recipient"), for the benefit of Republic of Colombia ("Member Country"), for the above-referenced project, dated March 21, 2012. The Letter Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Trust Fund No. TF010110 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

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 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

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Advance

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.
II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory 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:

The World Bank
1818 H Street, N.W.
Washington, DC 20433
United States of America
Attention: Ms. Gloria Grandolini, 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
Sector 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 Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; 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) Advances (sections 5 and 6) to the Instituto Tobias Emanuel.

- Type of Designated Account (subsection 5.3): Segregated.
- Currency of Designated Account (subsection 5.4): United States Dollars.
III. Reporting on Use of Grant Proceeds

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

- For reporting eligible expenditures paid from the Designated Account:
  - Statement of Expenditure in the form attached (Attachment 4); and
  - Reconciliation of the Designated Account, in the form attached (Attachment 5), with a copy of the Designated Account Bank Statement(s).

(ii) Frequency of Reporting Eligible Expenditures paid from the Designated Account (subsection 6.3): Every two months or more often if needed.

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 (https://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. 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 us at loa-lcr@worldbank.org using the above Grant and Project name as a reference.

Yours sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: Gloria M. Grandolini
   Director
   Colombia and Mexico
   Latin America and the Caribbean Region
Attachments

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Sample Statement of Expenditure
5. Sample Reconciliation of the Designated Account