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Minister
Ministry of Education
Calle 43 No. 57 - 14.
Centro Administrativo Nacional, CAN
Bogotá, Colombia

Mr. Diego Andrés Molano Aponte
Alto Consejero
Edificio Principal Calle 7 No. 6-54
Agencia Presidencial para la Acción Social y Cooperación Internacional
Bogotá, Colombia

Re: COLOMBIA: IDF Grant for Enhancing Governance, Transparency and Accountability in Education Project Grant No. TF010384
Additional Instructions: Disbursement - Revised.

Excellency:

I refer to the Grant Agreement ("Agreement") among the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of the World Bank’s Institutional Development Fund ("IDF") and the Republic of Colombia, represented by its Ministry of Education ("Recipient"), with the participation of the Agencia Presidencial para la Acción Social y la Cooperación Internacional ("Acción Social") (in fulfillment of Acción Social’s role set forth in the Decree No. 2465, dated July 19, 2005), for the above-referenced project, dated September 2, 2011. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF010384 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is the First Restatement of the Disbursement Letter dated September 2, 2011 for the above referenced project restating Section II (v) & (vi) to modify the ceiling of Designated Account and the minimum application size. All other provisions of the Disbursement Letter dated September 2, 2011 shall remain in force and effect.

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
- Reimbursement

(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in the Grant Agreement.

II. Withdrawal of Grant Proceeds

(i) **Authorized Signatures (subsection 3.1).** A 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  
Carrera 7 No. 71 – 21  
Torre A, Piso 16  
Edificio FIDUAGRARIA  
Sta. Fe de Bogotá, Colombia  
Attention: M. Grandolini, Country Director, Colombia and Mexico.

(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 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) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is United States Dollars (USD) $ 50,000

(vi) Advances (sections 5 and 6).
- Type of Designated Account (subsection 5.3): Segregated
- Currency of Designated Account (subsection 5.4): United States Dollars
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): A commercial bank acceptable to the World Bank
- Ceiling (subsection 6.1): USD $ 90,000

III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:
- For requests for Reimbursement and For reporting eligible expenditures paid from the Designated Account:
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for (i) Consulting Firms against contracts valued at USD $50,000 equivalent or more; and (ii) Individual Consultants against contracts valued at USD $25,000 equivalent or more;
  - Statement of Expenditures in the form attached (Attachment 4 - "Statements of Expenditure") for all other expenditures below the above mentioned thresholds, including training and operating costs.
List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 5 - Form of Payments Against Contracts Subject to the Association’s Prior Review)

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Monthly

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). From this website you will be able to download Applications, monitor the near real-time status of the Grant, 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 Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact a Finance Officer at loa-tf@worldbank.org using the above reference.

Yours sincerely,

[Signature]
Vidya Narasimhan
Finance Officer, Loan Department

Attachments
As per Original Disbursement Letter dated September 2, 2011