Her Excellency
Ms. Viviana Caro Hinojosa
Minister of Development Planning
Ministry of Development Planning
La Paz, Plurinational State of Bolivia

Re: IDA Credits No. 5484-BO and 5485-BO: Additional Financing for Strengthening Statistical Capacity and the Informational Base for Evidence-Based Planning Project

Additional Instructions: Disbursement Letter

Excellency,

I refer to the Financing Agreement (“Agreement”) between the International Development Association (the “World Bank”) and the Plurinational State of Bolivia (“the Recipient”) for the above-referenced project, dated August 21, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of IDA Credits No. 5484-BO and 5485-BO (“Financing”). 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 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.

1. 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 four months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the World Bank.
II. Withdrawal of Credit 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
1818 H Street, N.W.
Washington, DC 20433
United States of America
Attention: Livia M. Benavides, Acting Director, Bolivia, Chile, Ecuador, Perú and Venezuela - Latin America and the Caribbean Region

(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 credentials (“SIDC”) 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 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 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 SIDC”) provided in Attachment 3; 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 is USD 1,000,000 and for Direct Payments is USD 100,000.

(vi) **Advances (sections 5 and 6) to INE**

- **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 (subsection 5.4):** US Dollar (USD)

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

- **Ceiling (subsection 6.1):** Variable Ceiling based on Quarterly Forecasts prepared in accordance with the additional instructions in Section IV of this letter.

### III. Reporting on Use of Credit Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - Customized Statement of Expenditure in the form attached (Attachment 4) and additional instructions in Section IV of this letter for payments under Categories 2 to 5; and
  - List of payments against contracts that are subject to the World Bank’s prior review.

- **For requests for Advances to a Designated Account:**
  - Customized Statement of Expenditure in the form attached (Attachment 4) and additional instructions in Section IV of this letter for payments under Category 2 to 5;
  - Copy of the Designated Account Bank Statement with Designated Account Activity Statement in the form attached (Attachment 5); and
  - List of payments against contracts that are subject to the World Bank’s prior review.

- **For requests for Direct Payments:** 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

Custom Disbursement Report – The custom disbursement report includes the following:

- Attachment 4-A: Summary of Expenditures by Categories of Disbursement
- Attachment 4-B: Budget Execution by Component in Bolivianos (report issued from VISUAL system)
- Attachment 4-C: Budget Execution by Component in US Dollars (report issued from VISUAL system)

DA ceiling Forecast – The DA ceiling forecast includes the following which will need to receive the no objection of the World Bank task team before submission to the Loan Department

- Attachment 5-A: DA Activity Statement (Conciliación Cuenta Designada – detallando Retiros efectuados aún no solicitados)
- Attachment 5-B: Operating Cost Forecast (Estimación Gastos Operativos)
- Attachment 5-C: DA Cash Forecast (Estimaciones de efectivo en US$)

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 (https://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Credit, 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 the World Bank Loan Department at loa_lcr@worldbank.org, using the credit number and project as reference.

Yours sincerely,

[Signature]

Faris H. Hadad-Zervos
Country Manager
Bolivia
Attachments:

The attachments to be considered are the same used by Original Financing, which are included in DL signed March 9, 2011 (1 to 3) and its amendment dated November 7, 2012 (4 and 5).

Prepared by: Maria Virginia Hormazabal, Loan Department

Cleared with and cc: Maria Ana Lugo, TTL
Elena Segura, Senior Counsel, LEGLE