His Excellency
Mr. Robinson Mesquita de Faria
Governor
State of Rio Grande do Norte
Centro Administrativo do Estado
Av. Senador Salgado Filho, s/n
Lagoa Nova
59064-901 - Natal, RN
Brazil

Excellency:

Re: Brazil: IDF Grant for Rio Grande do Norte Strategy for Institutional Strengthening of the Secretariat of Health Project IDF Grant No. TF014559

Additional Instructions: AMENDED Disbursement Letter

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank") and State of Rio Grande do Norte (the "Recipient") for the above-referenced project, dated June 17, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF014559 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This is the first amendment of the Disbursement Letter dated June 17, 2013 for the above referenced project. This letter restates Section II (vi) increasing the ceiling the Designated Account and Section III updating Reporting Requirements for the Project. All other provisions and attachments of the Disbursement Letter dated December 15, 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
- Direct Payment
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  
Setor Comercial Norte  
Quadra 02, Lote A  
Edificio Corporate Financial Center  
7º andar  
70712-900 Brasilia, D.F.  
Brazil  
Attention: Deborah Wetzel, Country 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  
Setor Comercial Norte  
Quadra 02, Lote A  
Edificio Corporate Financial Center  
7º andar  
70712-900 Brasilia, D.F.  
Brazil  
Attention: Departamento de Desembolsos

(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 SDIC 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) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** BRL
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco do Brasil
- **Ceiling (subsection 6.1):** BRL 1,000,000

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 reporting eligible expenditures paid from the Designated Account:**
  
  o Statement of Expenditures in the form attached (Attachment 4) evidencing eligible expenditures for Goods, Consultant Services, Training and Workshops; and
  
  o List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5).

- **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 or more if required.
Attachments

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006 - *Not included as there is no change from previous Disbursement Letter*
2. Form for Authorized Signatures - *Not included as there is no change from previous Disbursement Letter*
3. *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 1, 2013 - *Not included as there is no change from previous Disbursement Letter*
4. Form of Statement of Expenditure - *Not included as there is no change from previous Disbursement Letter*
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review - *Not included as there is no change from previous Disbursement Letter*

Cc with copies:

Secretariat of International Affairs – *Secretaria de Assuntos Internacionais do Ministério do Planejamento Orçamento e Gestão* – SEAIN/MP
Esplanada dos Ministérios, Bloco P, 2º andar, Sala 219, 70048-900, Brasilia, DF
Brazil
Fax: (61) 2020-5047

Ministry of Finance – *Ministério da Fazenda*
Esplanada dos Ministérios, Bloco P, 5º andar
70048-900 Brasilia, DF
Brazil
Fax: (61) 3412-1721

Secretariat of Health – *Secretaria de Estado da Saúde* - SESAP
Av. Deodoro, 730 – Centro
59025-225, Natal, RN
Brazil
Fax: (84) 3232-7432

Secretariat of Planning and Finance – *Secretaria de Estado do Planejamento e das Finanças*
Fax: (84) 3232-1911
Centro Administrativo, Bairro Lagoa Nova,
59064-901 Natal – RN
Brazil
Fax: (84) 3232-1911
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 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 World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Tatiana de Abreu, Finance Officer, at tdeabreu@worldbank.org using the Project name and TF number as a reference in the subject line.

Sincerely,

[Signature]

Tatiana de Abreu
Finance Officer
WFALN – Loan Operations