Mr. Edgar Alfonso Bejarano Méndez  
Director General  
Corporación Autónoma Regional de Cundinamarca  
Bogotá, Colombia  

Re: IBRD Loan 7985- CO (Río Bogotá Environmental Recuperation and Flood Control Project)  

Additional Instructions: Disbursement

Dear Sir:

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “Bank”) and the Corporación Autónoma Regional de Cundinamarca (the “Borrower”) for the above-referenced project, dated July 15, 2011. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 7985- CO (“Loan”). 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 Loan 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

(ii) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Loan:

- Reimbursement
- Advance
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.
(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in the Loan Agreement.

**II. Withdrawal of Loan 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:

Banco Mundial  
Carrera 7 No. 71-21  
Torre A, Piso 16  
Apartado 10229  
Bogota, Colombia  
Attention: Gloria M. Grandolini, Director, Country Management Unit

(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 Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank’s Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower 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 Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower 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](https://clientconnection.worldbank.org)). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.
(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 Borrower 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 [5]; 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) 5,000,000.

(vi) **Advances (sections 5 and 6).**

- **Type of Designated Account[s] (subsection 5.3):** Segregated.
- **Currency of Designated Account[s] (subsection 5.4):** United States Dollars.
- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Banco de la República.
- **Ceiling (subsection 6.1):** USD 60,000,000.

**III. Reporting on Use of Loan 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 – “Statements of Expenditures” with supporting documentation in the form attached (Attachment 3A) - evidencing eligible expenditure (e.g., copies of receipts, supplier invoices ) for payments made for (i) Consulting Firms Services against contracts valued at USD 100,000 equivalent or more; (ii) Individual Consultants against contracts valued at USD 50,000 equivalent or more; (iii) Goods against contracts valued at USD 300,000 equivalent or more; (iv) Works against contracts valued at USD 2,000,000 equivalent or more.
  
  - “Statement of Expenditures” without supporting documentation, in the form attached (Attachment 3B) for all other expenditures below the above mentioned thresholds, including, as applicable, Operating Costs and Training.
  
  - List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 4).
o A Designated Account activity reconciliation statement and Bank Statement should be submitted with each withdrawal application reporting on the use of Grant proceeds from the Designated Account.

• 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.

IV. Other Disbursement Instructions - Eligible Expenditures, to be documented through Statements of Expenditures (attachments 3A and 3B), under Disbursement Categories (1), (2) and (3) will be recognized upon payment for Goods, Works, Consultant Services, Operational Costs, Training and Workshops.

V. Other Important Information


From the Client Connection website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information.

If you have not already done so, the 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 Loan, and retrieve related policy, financial, and procurement information. All Borrower 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 Jose Janeiro Finance Officer at LOA service account email address using the above reference.

Yours sincerely,

By /s/ Geoffrey Bergen
Authorized Representative
World Bank
Attachments:

2. Form for Authorized Signatures.
3. “Statement of Expenditure” with supporting documentation (Attachment 3A); “Statements of Expenditure” without supporting documentations (Attachment 3B).
4. List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 4).
5. Form for Terms and Conditions of Use of Tokens.

Prepared by Jose Janeiro, Finance Officer, CTRFC

Cleared with and cc: Greg Browder, TTL, LCSUW
 Carlos Escudero, LEGLA

Cc: Mr. Juan Carlos Echeverry
   Minister of Finance and Public Credit
   Bogotá, Colombia