Alejandro Díaz de León Carrillo
Titular de la Unidad de Crédito Público
Secretaría de Hacienda y Crédito Público
Insurgentes Sur No. 1971
Torre III, piso 10 CP 01020
Col. Guadalupe Inn
México D.F.

Re: Strategic Climate Fund Forest Investment Program (SCF-FIP) – Loan No. TF011570
( Forests and Climate Change Project)

Additional Instructions: AMENDED Disbursement Letter

Dear Mr. Rodríguez:

I refer to the Loan Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”) acting as an implementing Entity of the Forest Investment Program under the Strategic Climate Fund and the United Mexican States (the “Borrower”) for the above-referenced Loan, dated May 25, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the SCF-FIP Loan No. TF011570 (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This letter is the First Restatement of the Disbursement Letter dated May 25, 2012, for the above referenced project restating Sections II (iv), with a revised minimum value of applications as well to replace the format for “Statement of Expenditures without supporting documentation” and “Customized Statement of Expenditures” included in the Attachment 3B and 3C, respectively. All other provisions of the Disbursement Letter dated May 25, 2012, except as amended, 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 Financing, Loan and 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 Loan:

- Advance
- Reimbursement
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in Section IV.B.3 to Schedule 2 of the Agreement. Any changes to this date will be notified by the World Bank.

(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the specific Disbursement Conditions specified in Agreement.

II. **Withdrawal of Loan Proceeds**

(i) **Authorized Signatures (subsection 3.1).** Applications for this Loan will be signed by the officials authorized to sign Applications as indicated in the letter dated January 18, 2011 signed by MDI. Danielle Pellat Thomé, Direc ora de Organismos Financieros Internacionales, and Lic. Gabriel Fernández de la Concha, Director Jurídico Corporativo y de Negocio. This letter of authorization applies to the Loan, as confirmed in the Minutes of Negotiations dated November 30, 2011.

(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed and signed Applications, together with supporting documents to the address indicated below:

   The World Bank  
   Setor Comercial Norte,  
   Quadra 02, Lote A  
   Edificio Corpora e Finance Center  
   7º andar  
   70712-900 Brasília, D.F.  
   Brazil  
   Attention: Loan Department

(iii) **Electronic Delivery (subsection 3.4.)** The World Bank may permit the Borrower 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 Borrower has designated in writing, pursuant to the terms of the following subparagraph 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 Borrower have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Borrower 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 Borrower 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 Borrower.
• **Terms and Conditions of Use of SIDC to Process Applications.** By designating officials to use SIDCs 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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Secure Identification Credentials”) provided in Attachment 2; and (b) to cause such official to abide by those terms and conditions.

**(iv) Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications is United States Dollars (USD) $30,000 equivalent

**(v) Advances (sections 5 and 6).** For SCF FIP Loan and SCF FIP Grant only:

- **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):** Banco de México (central bank)
- **Ceiling (subsection 6.1):** USD $2,000,000

### III. Reporting on Use of Loan Proceeds

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

- **For requests for Reimbursement and reporting eligible expenditures paid from the Designated Account**
  
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for: (i) Goods, against contracts valued at USD $300,000 equivalent or more, (ii) Works, against contracts valued at USD $350,000 equivalent or more, (iii) Consulting Firms, against contracts valued at USD $300,000 equivalent or more, and (iv) Individual Consultants, against contracts valued at USD $100,000 equivalent or more, in the form attached (Attachment 3A - Statement of Expenditures with supporting documentation);

  - Statement of Expenditures in the form attached (Attachment 3B - Statement of Expenditure without supporting documentation) for all other expenditures / contracts below the above mentioned thresholds, including Non-consulting services and Operating Cost; and

  - Customized Statement of Expenditures in the form attached (Attachment 3C – Customized Statement of Expenditure) for eligible expenditures for Category 2 under Part 3.3 of the Project.
(ii) **Other Supporting Documentation Instructions.** For expenditures paid from the Designated Account, also, a Designated Account Statement and an account activity reconciliation statement, in the form attached (Attachment 4) should be provided with each Application.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3).** Minimum frequency: Quarterly.

**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 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 World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact us at loancr@worldbank.org (with copy to Victor Ordonez at vconde@worldbank.org) using the above Loan number as a reference.

Yours sincerely,

[Signature]

Victor Ordonez
Sr. Finance Officer, Loan Department
The World Bank
Attachments

1 Remains without any changes
2 Terms and Conditions of Use of Secure Identification Credentials, dated March 1, 2013
3 A Remains without any changes
3 B Format - Statement of Expenditures without supporting documentation
3 C Format - Customized Statement of Expenditures
4 Remains without any changes

Drafted by: Maria Virginia Hormazabal, Finance Analyst (CTRLN)
Attachment 2

Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation

March 1, 2013

The World Bank (Bank)\(^1\) will provide secure identification credentials (SIDC) to permit the Borrower\(^2\) to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

**A. Identification of Users.**

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC) website (https://clientconnection.worldbank.org) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

**B. Initialization of SIDC.**

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register

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1 “Bank” includes IBRD and IDA.
2 “Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a “SIDC User”. The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.

2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.

3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. Security

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the SIDC User believe: a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@worldbank.org.

4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.
5. **Reservation of Right to Disable SIDC**

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.

6. **Care of Physical Tokens**

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. **Replacement**

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse or not to reactivate a SIDC User's Account.
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**Attachment 3B**
**BAF CON INT. NACIONAL DE RECONSTRUCCIÓN Y Fomento**

**SCF-FIP…NAME**

**NOMBRE DEL PROYECTO: BOSQUES Y CAMBIO CLIMÁTICO**

*CERTIFICADO DE GASTOS (OE) SIN JUSTIFICACIÓN DE GASTO ANEXA*

**PRESTAMIST: CONAFOR**

**ORGANISMO**: CONAFOR

**EJECUTOR**: 

**CATEGORÍA**: 

**PAUTE DEL PROYECTO**: 

**PRESTAMIST: NO. DE OJES DE LA CONAFOR**

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*Se anexa sin relación detallada de subproyectos y/o Apoyos*

**NOTA.**

Se certifica que las cantidades arriba consignadas se han pagado por concepto a la debida ejecución de las actividades del Proyecto de acuerdo con las tareas y condiciones del convenio, para SUBPROYECTOS QUE NO SUPERAN los U.S. Dols. Todas la documentación justificativa de los gastos se mantienen en la CONAFOR para aviso del BIRF o auditor externos designados para tal efecto.

**CONAFOR**

LIC. BERENICE HERNÁNDEZ TORO
DIRECTORA DE FINANCIAMIENTO

M.A.B. TANJIANI LIMÓN• AAGAÑA
GERENTE DE R. CURS JF FINANCIEROS

**NACIONAL FINANCIERA S.N.C**

LIC. CESAR CARRANZA NAVÁ
DIRECTOR DE ADMINISTRACIÓN

C.P. LUIS GÓMEZ MENENDEZ
SUBDIRECTOR DE OPERACIONES AGENTE FINANCIERO.