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OFFICIAL DOCUMENTS

TF014557

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 473-1000
Cable Address: INTBAFRAD
Cable Address: INDEVAS

December 11, 2013

Mr. Rafael Pardo Rueda
Ministro
Ministerio de Trabajo
Bogotá, Colombia

Ms. Sandra Bessudo Lion
Directora General
Agencia Presidencial de Cooperación Internacional de Colombia
Presidencia de la República
Bogotá, Colombia

Re: Colombia: IDF Grant for Strengthening the Ministry of Labor's Capacity to Design Interventions and Manage for Results Project
IDF Grant No. TF014557
Additional Instructions: Disbursement Letter

Dear Sir/Madam:

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank") and the Labor Ministry the ("Recipient"), for the benefit of the Republic of Colombia ("Member Country"), with the participation of the Member Country's Agencia Presidencial de Cooperación Internacional de Colombia ("ACP"), (in fulfillment of its role set forth in the Member Country's Presidential Decree No. 4152, dated November 3, 2011) for the above-referenced Grant, dated December 11, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF014557 ("Grant"). 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 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:

- Reimbursement
- Advance

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(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

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 Apartado 10229
Edificio Fiduagraria, Bogota,
Colombia
Attention: Gloria M. Grandolini, Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) 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
7° 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 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.

Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is USD$ 60,000 for reimbursement.

(vi) Advances (sections 5 and 6).

- ***Type of Designated Account[s] (subsection 5.3):*** Segregated
- ***Currency of Designated Account[s] (subsection 5.4):*** US Dollars
- ***Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):*** Banco de la Republica
- ***Ceiling (subsection 6.1):*** USD$130,000

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:***
    - Statement of Expenditure in the form attached (Attachment 4),with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued at USD$30,000 or more;
    - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures; and
- ***For reporting eligible expenditures paid from the Designated Account:***
    - Statement of Expenditure in the form attached (Attachment 4),with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued at USD$30,000 or more;
    - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures; and
    - Designated Account activity statement accompanied by Designated Account Bank Statement.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): quarterly or more often if needed.

V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at https://www.worldbank.org and its secure website "Client Connection" at https://clientconnection.worldbank.org. Print copies are available upon request.

From the Client Connection 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.

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 Vidya Narasimhan, Finance Officer at *loa-tf@worldbank.org,* using the above reference.

Yours sincerely,

Gloria M. Grandolini
Director, Colombia and Mexico
Latin America and the Caribbean Region

NOT ATTACHED

Attachments

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
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
4. Form of "Statement of Expenditure"

Natalia Bavio, CTRLD

Cleared with and cc: Jimena Garrote, Senior Counsel
Joana Silva, Task Team Leader

cc with copies: *Ministerio de Trabajo*
Bogotá, Colombia