October 15, 2014

Mr. Jaime Daza Almendrables
Secretario General
Colombia Cattle Ranching Association (FEDEGAN)
Calle 37 No. 1431
Bogotá, DC
República de Colombia

Re: Colombia: Mainstreaming Sustainable Cattle Ranching Project
GEF Grant No. TF096465
Additional Instructions: AMENDED Disbursement Letter

Dear Mr. Daza,

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as an implementing agency of the Global Environmental Facility, and the Colombian Cattle Ranching Association ("the Recipient") for the above-referenced project, dated April 6, 2010. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of GEF Grant No. TF096465 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions, and replaces the letter dated April 30, 2014 (and all previous versions) to include a "Customized Statement of Expenditure" as attachment, which will be used to report eligible expenditures financed under Category 1.

The World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), is 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
- Reimbursement
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

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

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  
   Bogota, Colombia  
   Attention: Gerardo M. Corrochano, 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 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 Reimbursements and Direct Payments is USD 150,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated

- **Currency of Designated Account (subsection 5.4):** United States Dollars (USD)

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de Bogotá

- **Ceiling (subsection 6.1):** USD $ 1,300,000

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 request for Reimbursement:**
  - Customized Statement of Expenditure in the form attached (Attachment 3C) for eligible expenditures for Category 1;
  - Statements of Expenditure (Attachment 3A – Statement of Expenditure with supporting documentation) with documents evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for: (i) Consulting Firms and Non-Consultant’s Services against contracts valued at USD 100,000 equivalent or more; (ii) Individual Consultants against contracts valued at USD 50,000 or more; and (iii) Goods against contracts valued at USD 300,000 or more;
• Statements of Expenditure (Attachment 3B – Statement of Expenditure without supporting documentation) for all other expenditures below the above mentioned thresholds, including Operating Costs and Training; and

• List of payments against contracts that are subject to the World Bank’s prior review.

• For reporting eligible expenditures paid from the Designated Account:

  o Customized Statement of Expenditure in the form attached (Attachment 3C) for eligible expenditures for Category 1;

  o Statements of Expenditure (Attachment 3A – Statement of Expenditure with supporting documentation) with documents evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for: (i) Consulting Firms and Non-Consultant’s Services against contracts valued at USD 100,000 equivalent or more; (ii) Individual Consultants against contracts valued at USD 50,000 or more; and (iii) Goods against contracts valued at USD 300,000 or more;

  o Statements of Expenditure (Attachment 3B – Statement of Expenditure without supporting documentation) for all other expenditures below the above mentioned thresholds, including Operating Costs and Training;

  o Designated Account Activity Statement and copy of the Designated Account Bank Statement; and

  o List of payments against contracts that are subject to the World Bank’s prior review.

• For requests for Direct Payment: Records evidencing eligible expenditures, e.g. copies of receipts, and supplier invoices.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): 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 (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 Victor Ordonez, Senior Finance Officer at vconde@worldbank.org, using the above trust fund number and project name as reference.

Yours sincerely,

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

Attachments:

- **3C. Customized Statement of Expenditure for Category 1**
- All other attachments provided in the original and amended Disbursement Letter remain without change