



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

SCN Quadra 2 Lote A  
Ed. Corporate Financial Center, 7º Andar  
70712-900 – Brasília – DF, BRASIL

Tel 55 (61) 3329-1000  
Fax 55 (61) 3329-1010

December 19, 2013

Secretaria do Planejamento e Gestão do Estado do Ceará  
Centro Administrativo Gov. Virgílio Távora  
Av. General Afonso Albuquerque Lima, s/n  
Ed. SEPLAN, 3º. Andar  
Cambéba  
60830-900 Fortaleza, CE  
Brazil

**Re: IBRD Loan 83020-001-BR (Program Loan) and IBRD Loan 83020-002-BR (Project Loan) (Operation to Strengthen Service Delivery for Growth, Poverty Reduction and Environmental Sustainability in the State of Ceará)**  
**Additional Instructions: Disbursement Letter**

Excellency:

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (“Bank”) and the State of Ceará (“Borrower”) for the above-referenced Operation, dated December 19, 2013. The Loan Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 83020-001-BR (“Program Loan”) and Loan 83020-002-BR (“Project Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

**I. Withdrawal of Program and Project Loan Proceeds**

*(i) Authorized Signatures.* An authorized signatory letter in the Form attached (**Attachment 1**) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications for withdrawal:

Banco Mundial  
Setor Comercial Norte,  
Quadra 02, Lote A  
Edifício Corporate Finance Center  
7º Andar  
70712-900 Brasília, DF  
Brazil  
Attention: Ms. Deborah Wetzel, Director Brazil-Country Management  
Unit

**(ii) Applications.** Please provide completed and signed Applications for withdrawal, together with supporting documents, as applicable, to the address indicated below:

Banco Mundial  
Setor Comercial Norte,  
Quadra 02, Lote A  
Edifício Corporate Finance Center  
7º Andar  
70712-900 Brasília, 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 for withdrawal (with supporting documents, as applicable) through the Bank's Client Connection, web-based portal. The option to deliver Applications for withdrawal 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 for withdrawal and to receive secure identification credentials ("SIDC") from the Bank for the purpose of delivering such Applications for withdrawal 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 SIDC for the designated officials. Following which, the designated officials may deliver Applications for withdrawal 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 for withdrawal in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications for withdrawal by the Borrower.

**(iv) Terms and Conditions of Use of SIDC to Process Applications.** By designating officials to use SIDC and by choosing to deliver the Applications for withdrawal 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.

**(v) Withdrawal Conditions.** Please refer to the Withdrawal Condition(s) in the Loan Agreement as follows: (a) for the Program Loan, refer to the Loan Agreement, Schedule 2, Section IV.B; and (b) for the Project Loan, refer to the Loan Agreement, Schedule 3, Section IV.B.

## **II. Disbursement Arrangements-Program Loan-IBRD 83020-001**

**(i) Applications for withdrawal.** Applications for withdrawal from the Program Loan, of amounts of the Program Loan allocated to individual Disbursement Linked Results (“DLR”) may, pursuant to the provisions of Section IV of Schedule 2 to the Loan Agreement, be sent to the Bank at any time after the Bank has notified the Borrower in writing that it has accepted evidence of achievement of the specific DLR.

**(ii) Withdrawal Amount.** Applications for withdrawal may be for an amount not to exceed the amount of the Program Loan confirmed by the Bank for the specific DLR in respect of which the withdrawal is requested, as specified in the Bank’s notice to the Borrower.

**(iii) Prior Results.** The Bank confirms that it has received evidence satisfactory to it, that the DLRs referred to in Categories for the Program (1)(a) and (7)(a), set forth in the Table under Section IV.A.2 of Schedule 2 to the Loan Agreement, have been achieved. Consequently, the Borrower may withdraw the amount of the Program Loan allocated to said categories in the amount of United States Dollars (USD) 78,750,000 equivalent, after the Loan Agreement has been declared effective.

**(iv) Advances and Recovery of Advances.** The Borrower may, in accordance with provisions set forth in Section IV.B.2.(a) of Schedule 2 to the Loan Agreement, request advances of amounts of the Program Loan allocated to certain DLRs that have not yet been achieved. The aggregate amount of all such advances made in respect of amounts allocated to DLRs may not exceed the equivalent of USD 15,750,000. The amount of the advance(s) and the specific DLR(s) to which it relates must be clearly indicated in the Application for withdrawal using the Request for Advance letter, in the form attached (**Attachment 3**).

The Bank records an amount of the advance as disbursed for an achieved DLR (“recovered”) after it has notified the Borrower of its acceptance of the evidence of achievement of the DLR for which the advance was provided. The amount so reclassified becomes available for further advances in accordance with the preceding paragraph.

**(v) Disbursement Deadline Date.** The period of disbursement of the Program Loan ends six months after the Closing Date specified in Section IV.B.3 of Schedule 2 to the Loan Agreement (“Disbursement Deadline Date”). This is the final date established by the Bank for receipt by the Bank of Applications for withdrawal. Normally, to support orderly closure of the Program (and Project) Loan Account, the Bank does not accept Applications for withdrawal received after the Disbursement Deadline Date. The Borrower should promptly inform the Bank of any expected implementation delays or exceptional administrative issues before these dates. The Bank will notify the Borrower of any exception that the Bank may make to the Disbursement Deadline Date.

**(vi) Deposits of Loan Amounts.** All withdrawals from the Program Loan shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.

*(vii) Additional information on disbursement arrangements and electronic delivery of Applications for withdrawal.* Please visit our secure website “Client Connection” at <https://clientconnection.worldbank.org>.

### **III. Disbursement Arrangements-Project Loan -IBRD 83020-002**

*(i) Disbursement Guidelines (section 2).* The attached *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, (“Disbursement Guidelines”) (**Attachment 4**), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Project 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 Section III of the Disbursement Letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

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

- Reimbursement
- Advance

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

*(iv) Minimum Value of Applications (subsection 3.5).* The Minimum Value of Applications is USD \$ 500,000 equivalent.

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

- *Type of Designated Account (subsection 5.3):* Segregated
- *Currency of Designated Account (subsection 5.4):* USD
- *Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):* Caixa Econômica Federal
- *Ceiling (subsection 6.1):* Fixed at USD \$7,000,000

*(vi) 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 5**) for all expenditures under contracts that are not subject to the Bank’s prior review.

- List of payments against contracts that are subject to the Bank's prior review, in the form attached (**Attachment 6**) together with the Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices, bills of lading).
- ***For reporting eligible expenditures paid from the Designated Account:***
  - Statement of Expenditure in the form attached (**Attachment 5**) for all expenditures under contracts that are not subject to the Bank's prior review.
  - List of payments against contracts that are subject to the Bank's prior review, in the form attached (**Attachment 6**) together with the Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices, bills of lading).

***(vii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):*** Quarterly

***(viii) Additional information on disbursement arrangements.*** Please refer to the Disbursement Handbook available on the 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.

#### **IV. Other Important 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 Program Loan and Project Loan, and retrieve related policy, financial, and procurement information. All Borrower officials authorized to sign and deliver Applications for withdrawal 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](mailto:clientconnection@worldbank.org)>.

If you have any queries in relation to the above, please contact us at [loalcr@worldbank.org](mailto:loalcr@worldbank.org) using the above Operation name and Program Loan and Project Loan numbers as a reference in the subject line.

Yours sincerely,



Ms. Deborah Wetzels  
Director

Brazil - Country Management Unit  
Latin America and the Caribbean Region

Attachments

1. Form for Authorized Signatures
2. *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
3. Form of Request for Advance
4. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
5. Form of Statement of Expenditure
6. Form of Payments Against Contracts Subject to the Bank's Prior Review

Prepared by: Miguel-Santiago Oliveira and Victor Ordonez, CTRLN

Cleared with and cc: Patricia Miranda, LEGOP  
Thomas Kenyon, LCSPF

Cc with copies: His Excellency  
Secretary of International Affairs  
Ministry of Planning, Budget and Management  
Secretariat of International Affairs  
Esplanada dos Ministérios, Bloco K, room 508  
70040-906 Brasília-DF  
BRAZIL  
Fax: 61-3225-4022

**Form of Authorized Signatory Letter**

[Letterhead]  
[Street address]  
[City] [Country]

[DATE]

Banco Mundial  
Setor Comercial Norte,  
Quadra 02, Lote A  
Edificio Corporate Finance Center  
7º Andar  
70712-900 Brasilia, DF  
Brazil  
Attention: Ms. Deborah Wetzel, Director Brazil-Country Management Unit

**Re: IBRD Loan 83020-001-BR (Program Loan) and IBRD Loan 83020-002-BR (Project Loan) (Operation to Strengthen Service Delivery for Growth, Poverty Reduction and Environmental Sustainability in the State of Ceará)**

Dear Ms. Wetzel

I refer to the Loan Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“Bank”) and the State of Ceará (“Borrower”) for the above-referenced Operation, dated \_\_\_\_\_, providing the above Program Loan and Project Loan. For the purposes of Section 2.02 of the General Conditions for the Program and of Section 2.03 of the General Conditions for the Project as defined in the Agreement, any <sup>1</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign Applications for withdrawal under this Program Loan and Project Loan.

For the purpose of delivering Applications for withdrawal to the Bank, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting <sup>3</sup>[individually] <sup>4</sup>[jointly], to deliver Applications for withdrawal, and evidence in support thereof on the terms and conditions specified by the Bank.

---

<sup>1</sup> Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>2</sup> Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>3</sup> Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>4</sup> Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>5</sup>[This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications for withdrawal and supporting documents to the Bank by electronic means. In full recognition that the Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in 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”), the Borrower represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to this Agreement.

[Name], [position]	Specimen Signature: _____
[Name], [position]	Specimen Signature: _____
[Name], [position]	Specimen Signature: _____

Yours truly,

/ signed /

\_\_\_\_\_  
Secretário de Planejamento e Gestão

---

<sup>5</sup> Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the Bank.*



**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)<sup>1</sup> will provide secure identification credentials (SIDC) to permit the Borrower<sup>2</sup> 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.

---

<sup>1</sup> "Bank" includes IBRD and IDA.

<sup>2</sup> "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

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 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 believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org).

4.5. The Borrower shall immediately notify the Bank at [clientconnection@worldbank.org](mailto: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.

**Request for Advance**  
**[Ministry Letterhead]**  
**[Street Address]**

Banco Mundial  
Setor Comercial Norte,  
Quadra 02, Lote A  
Edificio Corporate Finance Center  
7º Andar  
70712-900 Brasilia, D.F.  
Brazil  
Attention: Loan Department

**Re: IBRD Loan 83020-001-BR (Program Loan) (Operation to Strengthen Service Delivery for Growth, Poverty Reduction and Environmental Sustainability in the State of Ceará)**

Dear Sir/Madam

To support the implementation of the above operation and in order to achieve the planned results, we request an Advance in the amount of USD 15,750,000<sup>3</sup> in accordance with provisions set forth in Section IV.B.2.(a) of Schedule 2 to the Loan Agreement and the provisions in the Disbursement Letter. The Advance relates to the following Disbursement Linked Indicators (DLIs) and Disbursement Linked Results (DLRs):

<b>DLI</b>	<b>DLR</b>	<b>Result to be achieved</b>	<b>Proposed Advance<sup>4</sup> USD</b>
DLI No. 1: Approval of skills development strategy, preparation of the action plan and implementation of selected actions under the action plan	DLR 1(b)	Committee established by decree	5,250,000
DLI No. 9: Percentage of households with adequate connection to sewage system	DLR 9(a)	83.8% in the first semester of CY14	5,250,000
DLI No. 10: Index of Environmental Enforcement Quality	DLR 10(a)	28% in the first semester of CY14	5,250,000
<b>TOTAL ADVANCE REQUESTED</b>			<b>15,750,000</b>

<sup>3</sup> The Proposed Advance should be in the currency of the DLI/DLR result as set out in the Bank Financing Agreement and in accordance with provisions in the Disbursement Letter.

<sup>4</sup> The Proposed Advance should be in the currency of the DLI/DLR result as set out in the Bank Financing Agreement and in accordance with provisions in the Disbursement Letter.

We request that the Advance be disbursed in [currency requested for disbursement] equivalent to the Total Advance Requested above. We acknowledge that the amount disbursed will be charged to the Program Loan Account in the currency of the Loan at the rate of exchange in effect at the time of disbursement.

Sincerely,

[Name, Position]<sup>5</sup>

---

<sup>5</sup> To be signed by legal representative of the [Borrower/Recipient], as set out in the Form of Authorized Signatory Letter, dated \_\_\_\_.

Statement of Expenditures (SOE)

Payments made during the period from \_\_\_\_\_ to \_\_\_\_\_

Date:

Application No.:

Loan No.:

For expenditures against contracts that are not subject to the Bank's Prior Review

SOE No.:

1	2	3	4	5	6	7	8	9
Item No.	Category No. (**)	Currency and Total Amount of Contract	Currency and Total Amount of Invoice Covered by Application (Net of Retention)	Eligible % from Loan Agreement	Amount Eligible for Financing (4 x 5)	Currency and Amount Paid from Designated Account (if Applicable)	Exchange Rate (Col. 7 divided by Col. 6)	Remarks
<b>TOTALS</b>								

Supporting documents for this SOE retained at

\_\_\_\_\_ (insert location)

- (\*) A separate SOE form should be used for retroactive financing
- (\*\*) Items should be grouped by category; or alternatively, a separate SOE form may be used for each category

**Payments Made during Reporting Period  
Against Contracts Subject to the Bank's Prior Review**

<b>Contract Number</b>	<b>Supplier</b>	<b>Contract Date</b>	<b>Contract Amount</b>	<b>Date of WB's Non Objection to Contract</b>	<b>Amount Paid to Supplier during Period</b>	<b>WB's Share of Amt Paid to Supplier during Period</b>

