

PALOMA ANOS CASERO
Country Director - Brazil
Latin America and the Caribbean Region

Date: December 30, 2019

His Excellency
Mr. Camilo Sobreira de Santana
Governor
Government of the State of Ceará
Av. Barão de Studart, 505 – Meireles
60.120-000 Fortaleza, CE
Brazil

**Re: IBRD Loan 9006-BR (Ceará Water Security and Governance Project,
*Projeto de Apoio à Melhoria da Segurança Hídrica e Fortalecimento da Inteligência na Gestão
Pública do Estado do Ceará*)**
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Loan Agreement between The State of Ceará and the International Bank for Reconstruction and Development (the “Bank”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loan Amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in the Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, and conditions, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Electronic Delivery. Section 10.01 (c) of the General Conditions.

The Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the Bank’s web-based portal (<https://clientconnection.worldbank.org>) “Client Connection”. This option may be effected if the officials designated in writing by the Borrower who are authorized to sign and

With copies:

Secretaria de Assuntos Econômicos Internacionais do
Ministério da Economia - SAIN
Esplanada dos Ministérios - Bloco K - 8º andar
Brasília, DF, 70040-906 - Brazil
Facsimile: (55-61) 2020-5006

Secretaria de Estado da Fazenda - SEFAZ
Avenida Alberto Nepomuceno, 2 - Centro
60000-050 Fortaleza, CE - Brazil

Instituto de Pesquisa e Estratégia Econômica do Ceará – IPECE
Centro Administrativo Gov. Virgílio Távora
Av. General Afonso Albuquerque Lima, s / n
Ed. SEPLAG, Térreo. Cambéba
60822-325 Fortaleza, CE - Brazil

Secretaria de Planejamento e Gestão do Estado do Ceará - SEPLAG
Centro Administrativo Gov. Virgílio Távora
Av. General Afonso Albuquerque Lima, s / n
Ed. SEPLAG, 3º. Andar. Cambéba
60822-325 Fortaleza, CE- Brazil

Schedule 1 : Disbursement Provisions

Basic Information					Section III B.2. of Schedule 2 to the Loan Agreement.
Loan Number	Country	Borrower	Brazil	Closing Date	Four months after the closing date.
	Name of the Project		State of Ceará	Disbursement Deadline Date	
			Ceará Water Security and Governance Project	Subsection 3.7 **	
Disbursement Methods and Supporting Documentation					
Disbursement Methods Section 2 (**)	Methods			Supporting Documentation Subsections 4.3 and 4.4 (**)	
Direct Payment	Yes			Copy of records	
Reimbursement	Yes			Interim unaudited Financial Reports, which will include a list of payments made against contract for which the Bank's prior review is required	
Designated Account	Yes			Interim unaudited Financial Reports, which will include a list of payments made against contract for which the Bank's prior review is required	
Special Commitments	No			N/A	
Designated Account (Sections 5 and 6 **)					
Type	Segregated			Ceiling	Variable
Financial Institution – Name	Caixa Economica Federal			Currency	USD
Frequency of Reporting Subsection 6.3 (**)	Semi-annually			Amount	Six-month cash flow forecast as provided in the IFRs
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Direct Payment will be the USD 1,000,000 equivalent					
Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)					
<p>Banco Mundial SCN, Quadra 02, Lote A -Edificio Corporate Financial Center 7º andar - 70712-900 Brasília, DF – Brasil Attention: Loan Operations</p>					
Additional [Information][Instructions]					
<p>For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's website (http://www.worldbank.org/) and "Client Connection". The Bank recommends that you register as a user of "Client Connection". 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. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at askloans@worldbank.org.</p>					

** Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.

Attachment 1 – Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Re: IBRD Loan ____ - ____ [name of [Program] [Operation]]

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and [name of borrower] (the “Borrower”), dated _____, providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ¹[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal under this Loan.

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

⁵[This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World 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*

¹ 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.*

² 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.*

³ 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.*

⁴ 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.*

⁵ 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.*

Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of SIDC”), the Borrower represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.]

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

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

Attachment 2 - Interim unaudited Financial Statements