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 8986-BR (Ceará Rural Sustainable Development and Competitiveness Project –
Phase II, Projeto de Desenvolvimento Rural Sustentável – Projeto São José III – 2ª fase)
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://clientconnectionworldbank.org) “Client Connection”. This
option may be effected if the officials designated in writing by the Borrower who are authorized to sign and
deliver Applications have registered as users of “Client Connection”. The designated officials may deliver
Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. By designating officials to use SIDC 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, available in the Bank’s public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits

(i) Financial Reports. The Borrower must prepare and furnish to the Bank not later than sixty (60) days after the end of each calendar quarter, interim unaudited financial reports (“IFR”) for the Project covering the quarter.

(ii) Audits. Each audit of the Financial Statements must cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Information

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, please contact the Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Jose Janeiro, Senior Finance Officer at jjaneiro@worldbank.org, with copy to Patricia Melo, Finance Analyst at pmelo@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Paloma Anos Casero
Brazil
Latin America and the Caribbean Region

Attachments
1. Form of Authorized Signatory Letter
2. Interim Financial Reports (IFRs)
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. Cambeba
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. Cambeba
60822-325 Fortaleza, CE - Brazil
Schedule 1: Disbursement Provisions

<table>
<thead>
<tr>
<th>Loan Number</th>
<th>Basic Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Country</strong></td>
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<tr>
<td></td>
<td><strong>State of Ceara</strong></td>
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<tr>
<td></td>
<td><strong>Name of the Project</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Closing Date</strong></td>
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<tr>
<td></td>
<td><strong>Disbursement Deadline Date</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statements of Expenditure in the form attached (Attachment 2)</td>
</tr>
<tr>
<td>Designated Account</td>
<td>Yes</td>
<td>Statements of Expenditure in the form attached (Attachment 2)</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>No</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Designated Account (Sections 5 and 6 **)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
</tr>
<tr>
<td><strong>Financial Institution - Name</strong></td>
</tr>
<tr>
<td><strong>Frequency of Reporting Subsection 6.3 (</strong>)**</td>
</tr>
<tr>
<td><strong>Ceiling</strong></td>
</tr>
<tr>
<td><strong>Currency</strong></td>
</tr>
<tr>
<td><strong>Amount</strong></td>
</tr>
</tbody>
</table>

Minimum Value of Applications (subsection 3.5)
The minimum value of applications for Direct Payment will be the equivalent to USD 400,000.

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 **)

Banco Mundial
SCN, Quadra 02, Lote A - Edificio Corporate Financial Center
7° andar - 70712-900
Brasilia, DF - Brasil
Attention: Loan Operations

Additional Information/Instructions
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.

Other
Statements of Expenditures will document eligible expenditures based on actual transactions.
Eligible expenditures are those incurred and delivered on or before the closing date.
Advances will not be made for expenditures to be financed from disbursement categories with unmet disbursement conditions.

** Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.
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 [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, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

[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 Secure Identification Credentials].

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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 – Statement of Expenditures