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Country Director  
Islamic Republic of Afghanistan, SAR

May 24, 2018

H.E. Eklil Ahmad Hakimi  
Minister of Finance  
Ministry of Finance  
Kabul, Islamic Republic of Afghanistan

**Re: Islamic Republic of Afghanistan**  
**IDA Grant D2850-AF, ARTF No. TF0A7113, and GFF No. TF0A7314.**  
**(Afghanistan Sehatmandi Project)**  
**Disbursement and Financial Information Letter (DFIL)**  
*First amended DFIL*

Excellency:

I refer to (1) the Grant Agreement between the Islamic Republic of Afghanistan [the “Recipient”], and the International Development Association [the “Association”] acting as an Administrator of the grants funds provided by various donors to the Afghanistan Reconstruction Trust Fund [ARTF], for the ARTF Grant TF0A7113, (2) the Financing Agreement between the Recipient and Association for the IDA Grant D2850, and (3) the Grant Agreement between the Recipient and the Association acting as Administrator of the Multi-Donor Trust Fund for the Global Financing Facility [GFF] in support of Every Woman and Every Child for the GFF Grant TF0A7314. These legal agreements provide that the Association may issue additional instructions regarding the withdrawal of the funds of these grants (collectively the “Financing”). This letter (“Disbursement and Financial Information Letter”), as revised from time to time, constitutes the additional instructions. This first amendment to incorporate the disbursement method “Advance” replaces the previous letter dated April 10, 2018.

The World Bank Disbursement Guidelines for Investment Project Financing, dated February 2017. (“Disbursement Guidelines”) are an integral part of the Disbursement and Financial Information Letter, and are available in the World Bank’s public website at <https://worldbank.org>. The manner in which the provisions in the Disbursement Guidelines apply to the Financing is specified below. Sections and subsections in parenthesis 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 meaning ascribed to them in the Disbursement Guidelines.

**I. Disbursement Arrangements, Withdrawal of Grant Funds, and Reporting of Uses of Grant Funds.**

- **General Provisions.** The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient (including mandatory direct payment), information on registration of authorized

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signatures, processing of withdrawal applications (including minimum value of applications, and processing of Direct Payments), and instructions on supporting documentation.

- **Special Provision.** Projects in situations of urgent need of assistance or capacity constraints. Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.

**(ii) Electronic Delivery.** Reference: (A) for the ARTF and GFF grants, Section 7.01 of the Standard Conditions for Grants; and (B) for the IDA grant, Section 11.01 of the General Conditions for IDA Financing IPF.

The World Bank may permit the Recipient to electronically deliver applications (with supporting documents) through the World Bank's web-based portal (<https://clientconnection.worldbank.org>) "Client Connection". This option may be effected if the officials designated in writing by the Recipient 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 Recipient confirms that it 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. The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Association reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient. 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, available in the World 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.** Applicable to the IDA Grant, in line with Section 5.09 of the General Conditions for IDA Financing IPF.<sup>1</sup>

**(i) Financial Reports.** The Recipient must prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports ("IFR") for the Project covering such semester.

**(ii) Audits.** Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, 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 Associations 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 World Bank's website and "Client Connection". The World Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver

<sup>1</sup> Both provisions are applicable to the ARTF and GFF grants in line with the corresponding legal agreement (but not referenced to the Standard Conditions for Grants)

Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Association by email at [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org).

If you have any queries in relation to the above, please contact the Loan Operations department through the service account [AskLoans@WorldBank.org](mailto:AskLoans@WorldBank.org), with copy to Janardhanan Ramanujam at [jramanujam@worldbank.org](mailto:jramanujam@worldbank.org) using the above reference.

Yours sincerely,



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Victor Ordonez  
Senior Finance Officer  
WBG Finance and Accounting, WFA Client Services  
South Asia Region  
International Development Association

**Attachments**

The following two attachments provided in the original *Disbursement and Financial Information Letter* continue to be applicable and unchanged, therefore none of them is attached to this amended letter:

1. Form for Authorized Signatures
2. Interim Unaudited Financial Reports

**Schedule 1 : Disbursement Provisions**

<b>Numbers</b>		<b>Country, and Recipient</b>	<b>Closing Date</b>	<b>Stated in (A) section III.B.2. of Schedule 2 to the IDA Financing Agreement, (B) section IV.B.2. of Schedule 2 to the ARTF Grant Agreement, and (C) section IV.B.2. of Schedule 2 to the GFF Grant Agreement.</b>	
<b>IDA Grant</b>	D2850-AF	Islamic Republic of Afghanistan			
<b>ARTF Grant</b>	TF0A7113	<b>Name of the Project</b> Afghanistan Sehatmandi Project	<b>Disbursement Deadline Date</b> <i>Subsection 3.7 *</i>	Four (4) months after the closing date.	
<b>GFF Grant</b>	TF0A7314				
<b>Disbursement Methods</b> <i>Section 2 (*)</i>		<b>Methods</b>	<b>Supporting Documentation</b> <i>Subsections 4.3 and 4.4 (*)</i>		
Direct Payment		Yes	Copy of records <b>Recipient is required to use the Direct Payment or Special Commitment disbursement methods for disbursements under contracts for goods, works, non-consulting services and consulting services procured/selected through international open or limited competition, or Direct Selection, as set out in the procurement plan, and as stated in the Minutes of Negotiations.</b>		
Reimbursement		Yes	Interim unaudited Financial Report (IFR)		
Designated Account		Yes	Interim unaudited Financial Report (IFR)		
Special Commitments		Yes	Copy of Letter of Credit		
<b>Financial Institution</b>		Da Afghanistan Bank	<b>Ceiling</b>	Variable	
<b>Frequency of Reporting</b>		Same as IFR: Semiannual	<b>Amount</b>	As required, and to be stated in the IFR per DA, and which will cover a six-month period of eligible expenditures, but excluding contracts subject to Direct Payments.	
<b>Type and ceiling of the Designated Accounts.</b> The project will use three (3) <i>segregated</i> Designated Accounts (DA), all in USD as follows:					
1. DA "A" will receive funds from the <b>IDA Grant D2850-AF</b>					
2. DA "B" will receive funds from the <b>ARTF Grant TF0A7113</b>					
3. DA "C" will receive funds from the <b>GFF Grant TF0A7314</b>					
The minimum value of applications for Reimbursement, and Direct Payment is USD 200,000 equivalent combined amount.					
The World Bank Country Office Kabul, Afghanistan		Attention: Loan Department (WFACS)			
<b>Note:</b> Withdrawal Applications will be signed by the official(s) authorized to sign as indicated in the Ministry of Finance's letter dated <b>August 20, 2017</b> .					

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