

OFFICIAL DOCUMENTS



SHUBHAM CHAUDHURI
Country Director
Islamic Republic of Afghanistan, SAR

Date: April 10, 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**

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.

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 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.¹*

(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.

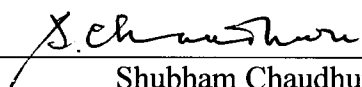
III. Other Information.

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 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.

¹ 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)

If you have any queries in relation to the above, please contact the Loan Operations department through Victor Ordonez at vconde@worldbank.org, with copy to Janardhanan Ramanujam at jramanujam@worldbank.org using the above reference.

Yours sincerely,



Shubham Chaudhuri
Country Director
Afghanistan
South Asia Region
International Development Association

Attachments

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

Schedule 1 : Disbursement Provisions

Basic Information			
Numbers	Country, and Recipient	Closing Date	The closing date is 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.
IDA Grant	Islamic Republic of Afghanistan		
ARTF Grant	Afghanistan	Disbursement Deadline Date	Four (4) months after the closing date.
GFF Grant	Sehatmandi Project	Subsection 3.7 **	
Disbursement Methods and Supporting Documentation			
Disbursement Methods	Methods	Supporting Documentation	
Section 2 (**)		Subsections 4.3 and 4.4 (**)	
Direct Payment	Yes	Copy of records	
Reimbursement	Yes	Interim unaudited Financial Report (IFR)	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.
Designated Account	No		
Special Commitments	Yes	Copy of Letter of Credit	
Not applicable		Designated Account (Sections 5 and 6 **)	
		Minimum Value of Applications (subsection 3.5)	
		The minimum value of applications for Reimbursement, and Direct Payment is not applicable.	
		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 **)	
		Attention: Loan Department (WFACS)	
		The World Bank Country Office Kabul, Afghanistan	
		Note: Withdrawal Applications will be signed by the official(s) authorized to sign as indicated in the Ministry of Finance's letter dated August 20, 2017 .	

* Before signing and after effectiveness, a decision on the availability of advances for project implementation will be jointly made by the Recipient and the Association based on the status of the portfolio's lapsed loans, and this letter, if needed, will be accordingly amended.

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

Form of Authorized Signatory Letter

[Letterhead]

Ministry of Finance
Kabul, Islamic Republic of Afghanistan

[DATE]

The World Bank
Country Office
Kabul, Afghanistan

Attention: [Country Director]

Re: Islamic Republic of Afghanistan
IDA Grant _____, GFF Grant _____, and ARTF TF No. _____.
(Afghanistan Sehatmandi Project)

Dear [Country Director]:

I refer to the (i) Financing Agreement between the International Development Association (the “Association”) and the Islamic Republic of Afghanistan (the “Recipient”) and (i) to the Grant Agreement between the International Development Association acting as an Administrator of the grants funds provided by various donors to the Afghanistan Reconstruction Trust Funds, dated _____ providing the above financing. For the purposes of Section 3.04 (b) of the Standard Conditions and Section 2.03 of the General Conditions as defined in the Agreement, any ²[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal and applications for a special commitment under this Financing.

For the purpose of delivering Applications to the Association, ³[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ⁴[individually] ⁵[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

² Instruction to the Recipient: 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 Association.*

³ Instruction to the Recipient: 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 Association.*

⁴ Instruction to the Recipient: 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 Association.*

⁵ Instruction to the Recipient: 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 Association.*

⁶[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association 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 Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.]

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

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

⁶ Instruction to the Recipient: Add this paragraph if the Recipient 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 Association.*

Interim Unaudited Financial Report

Name of project							
Sources and Uses of Funds							
For the Period Ending							
RECEIPTS	Current Period			CUMMULATIVE			FORECAST
	Actual	Budgeted	Variance	Actual	Budgeted	Variance	Next 6 Months
World Bank							
Advance							
Reimbursement							
Direct Payment							
Total Receipts (A)	0	0	0	0	0	0	0
LESS EXPENDITURES							
Component 1							
Component 2							
Component 3							
Component 4							
Total Expenditures (B)	0	0	0	0	0	0	0
RECEIPTS LESS EXPENDITURES							
Net Change in Cash (A - B)	0	0	0	0	0	0	
Foreign Exchange Adjustment							
CASH BALANCES							
Opening Cash Balances							
Designated Account							
Project Account							
Total Opening Balance	0						
Closing Cash Balances							
Designated Account							
Project Account							
Total Closing Balance	0						

Cash Flow Reconciliation		
	Current Period	Cummulative Period
Opening Balance		0
Add: Receipt		
Less: Closing Balance		
Expected Expense	0	0
Actual Expense		
Difference	0	0

Name of project						
Use of Funds by Project Components						
For the Period Ending						
	Current Period		Actual	CUMMULATIVE	Variance	FORECAST
	Budgeted	Variance				
Component 1						
Component 2						
Component 3						
Component 4						
Total	0	0	0	0	0	0

Name of project							
Use of Funds by Disbursement Categories							
For the Period Ending							
Categories	Current Period		Amount per IFR	CUMMULATIVE	Difference	Comments	Total Allocation per legal agreements
	Actual						
1. Consultants							
2. Training and Workshops							
3. Audits							
Total	0	0	0	0	0	0	0

Name of project Cash Forecast For the Period Ending	
Eligible Expenditures to be financed by the World Bank for the Next 6 Months	USS
Less Direct payments to be made by the World Bank	
Eligible Expenditures to be financed by the World Bank from the Designated Accounts	-
Less:	
Current Balance in the Designated Account	
Current Balance in the Project Account	-
Total Current Balance	
Amount Requested to be Advanced to Designated Account	-

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER NUMBER _____

ACCOUNT NUMBER _____ WITH (BANK) _____

US\$'000

1	TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER)	
2	LESS: TOTAL AMOUNT DOCUMENTED BY WORLD BANK	
3	PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)	-
4	BALANCE OF DESIGNATED ACCOUNT & PROJECT ACCOUNT PER ATTACHED BANK RECONCILIATION AS OF DATE _____	
5	PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____	
6	PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED	
	REASON: _____	
7	PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS	
	APPLICATION NO. _____	
	WA # XXX _____	
	WA # XX _____	
	SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED	
8	LESS: INTEREST EARNED	
9	TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)	-
10	DIFFERENCE (3 - 9)	-

11 EXPLANATION OF ANY DIFFERENCE SHOWN IN LINE 10: _____

DATE: _____

SIGNATURE: _____

TITLE: _____

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Victor Ordonez, WFACS

Cleared with and cc: Juan Carlos Alvarez, LEGES
Ghulam Dastagir Sayed, GHN06
Mickey Chopra, GHNDR
Mohammad Tawab Hashemi, GHN06

Cc: Sayed Waseem Abbas Kazmi, GGOAP