

LN 8441-NG

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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June 24, 2015

Mrs. Anastasia Daniel-Nwaobia
Permanent Secretary Finance
Federal Ministry of Finance
Finance Building
Central Business Area
Abuja
Nigeria

Excellency,

**Re: Nigeria: Loan Number 8441- NG
Development Finance Project
Additional Instructions: First Revised Disbursement**

I refer to the Loan Agreement (“Agreement”) between the Federal Republic of Nigeria (“Borrower”) and the International Bank for Reconstruction and Development (“Bank” or “World Bank”), dated February 25, 2015 for the above-referenced project. This revised Disbursement Letter includes a modification in the Designated Bank Account bank name approved by the Ministry of Finance. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of IBRD Loan -84410- NG (“Loan” or “Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

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

I. Disbursement Arrangements

(i) **Disbursement Methods (section 2).** The following Disbursement Methods may be used under the Financing:

- Advances
- Direct Payment
- Reimbursement
- Special Commitments

(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four [4] months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the

Bank.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1).

A letter in the Form attached (Attachment 2) 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:

The World Bank,
Nigeria Country Office,
102, Yakubu Gowon Crescent,
Asokoro, Abuja,
Federal Republic of Nigeria.
Attention: Marie Françoise Marie-Nelly
Country Director for Nigeria

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank, Loan Department
13th Floor Delta Center
Menengai Road
Upper Hill
P.O. Box 30557-00100
Nairobi Kenya
Tel +254 20 2936 000
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications 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 and to receive secure identification credentials ("SIDC") from the Bank for the purpose of delivering such Applications 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 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 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.

(iv) Terms and Conditions of Use of SIDC to Process Applications. 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* ("Terms and Conditions of Use of Secure

Identification Credentials”) provided in Attachment [3]; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is USD 200,000

(vi) Advances (sections 5 and 6).

- **Type of Designated Accounts (subsection 5.3):** Segregated
Designated Account A: For Category 1 - Lines of Credit and Partial Guarantees under Parts 2 and 3 managed by PMU/FPFMD.

Designated Account B: For Category 2 – Goods, non-consulting services, consultants’ services, operating costs and training under Parts 1 and 4 managed by PMU/FPFMD

- **Currency of Designated Accounts (subsection 5.4):** US Dollars
- **Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):** Central Bank of Nigeria for Designated Account A , First Bank of Nigeria for Designated Account B

- **Ceilings (subsection 6.):**

Designated Account A: USD 45,000,000 or flexible based on a forecast of expenditures every semester (six months), whichever is lower.

Designated Account B: USD 2,000,000

III. Reporting on Use of Financing Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- **For reporting eligible expenditures paid from the Designated Accounts:**
 - o Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices, documentary evidence of delivery and acceptance of contracted goods or service) (i) goods and works valued at USD 300,000 or more; (ii) consulting firms valued at USD 100,000 or more, and (iii) individual consultants valued at USD 50,000 or more
 - o Statement of Expenditure in the form attached (Attachment 4) for all other expenditures / contracts; and
 - o List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5).
- **For requests for Direct Payments and Special Commitments:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and acceptance of contracted goods or service.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.1):
Monthly

(iii) Other Supporting Documentation Instructions

- Copies of the bank statement of the Designated Accounts and project bank accounts and a reconciliation statement for these Accounts should be submitted with each Application of replenishment.

IV. Withdrawal Conditions and Other Disbursement Instructions

Please refer to the Loan Agreement, Schedule 2, Section IV. B for the withdrawal conditions description. The project eligible expenditures are related directly to the funds invested in the different lines of credit and partial guarantees under Parts 2 and 3 of the project, as well as the Goods, non-consulting services, consultants' services, Operating Costs and Training under Part 1 and 4. The detail description of eligible expenditures can be found in the Financing Agreement.

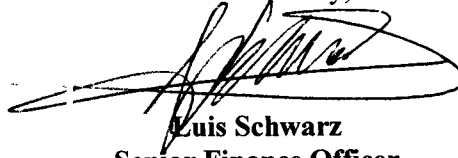
V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <http://clientconnection.worldbank.org>. Print copies are available upon request.

From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact WFALA, at service account email address 'LOA-afr@worldbank.org' using the above reference.

Yours sincerely,



Luis Schwarz
Senior Finance Officer
WFALA

Attachments *N/A IT*

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
3. *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 2013
4. Form of "Statements of Expenditures" (SOEs)
5. Form of Summary Sheet for Payments Against Contracts Subject to the World Bank's Prior Review
6. Form of Designated Account Activity Statement