



JUNAID KAMAL AHMAD
Country Director
India, South Asia Region

May 29, 2018

Mr. Sukhbir Singh
Controller of Aid Accounts and Audit and Officiating CAAA
Department of Economic Affairs, Ministry of Finance
Government of India
B-Wing, 5th Floor
Janpath Bhawan
New Delhi, India 110001

**Re: India: Strengthening Public Financial Management in Rajasthan Project
IBRD Loan No. 8855-IN
Additional Instructions: Disbursement and Financial Information Letter (“DFIL”)**

Mr. Singh,

I refer to the Loan Agreement between India (the “Borrower”) and the International Bank for Reconstruction and Development (the “World Bank”) for the above-referenced Project, dated May 29, 2018. 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 (DFIL), and such additional instructions as the World Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the DFIL may specify Project specific financial reporting requirements.

I. Disbursement Arrangements, Withdrawal and Reporting of Loan Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in the World Bank’s public website at <https://www.worldbank.org> and its secure web-based portal (<https://clientconnection.worldbank.org>) “Client Connection”. 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, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications), and instructions on supporting documentation.

(ii) Electronic Delivery. Refer to section 10.01 (c) of the General Conditions.

The World Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the World Bank’s web-based portal “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 World Bank by electronic means. The Borrower may continue to exercise the option of preparing and delivering



Applications in paper form. The World 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 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

(i) Financial Reports. The Borrower must prepare and furnish to the World Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports ("IUFR") for the Project covering the financial information of the corresponding 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 World Bank not later than nine (9) 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 public website (<http://www.worldbank.org/>) and in "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 Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Victor Ordonez, Senior Finance Officer at vconde@worldbank.org, with copy to Radha Raju, Finance Analyst at raju@worldbank.org, using the above reference.

Yours sincerely,

Hisham Abdo
Acting Country Director
India

Attachments

1. Form of Authorized Signatory Letter
2. Interim Unaudited Financial Report (IUFR)

Schedule 1 : Disbursement Provisions

Basic Information					
Loan Number	8855-IN	Country	India	Closing Date	Section IV.B.5 of Schedule 2 to the Loan Agreement.
		Borrower	India (DEA/CAAA)	Disbursement Deadline Date <i>Subsection 3.7 **</i>	Four months after the closing date.
		Name of the Project	Strengthening Public Financial Management in Rajasthan		
Disbursement Methods, and Supporting Documentation					
Disbursement Methods <i>Section 2 (**)</i>	Methods	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	No	Not Applicable			
Reimbursement	Yes	Interim unaudited Financial Report in the format provided in Attachment 2			
Advance – Designated Acct.	Yes for category 1	Interim unaudited Financial Report in the format provided in Attachment 2			
Special Commitments	No	Not Applicable			
Designated Account (Sections 5 and 6 **)					
Type	Segregated	Ceiling	Fixed		
Financial Institution - Name	Reserve Bank of India	Currency	USD		
Frequency of Reporting <i>Subsection 6.3 (**)</i>	Quarterly	Amount	USD 2,670,000		
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Reimbursement is not applicable to this project.					
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 **)					
The Authorized Signatories Letter, Withdrawal Applications and its documentation will be sent to the following address: The World Bank No. 11, Taramani Main Road Taramani, Chennai – 600 113, India Attention: Team Lead, WFACS.					
Additional Instructions					
DLIs - Disbursements against Category 2 will be made on the basis of satisfactory achievement of DLIs supported by expenditures incurred within the Eligible Expenditure Program (EEP). Therefore, the Borrower will request reimbursement of expenditures based on achieved DLIs and limited to the value of the reported EEP (if there is a balance on the DLI value, it will be reimbursed when adequate EEP is reported subsequently).					
Rollover - If the project does not achieve a DLI for a particular year, the same will be rolled over until it is achieved.					

*** 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]
[City] [Country]

[DATE]

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

Attention: Mr. Junaid Kamal Ahmad, Country Director, India

Re: Loan No. 8855-IN (India: Strengthening Public Financial Management in Rajasthan Project)

I refer to the Loan Agreement (“Agreement”) between the International Bank for Reconstruction and Development (the “Bank”) and India (the “Borrower”), dated _____, providing the above Loan. For the purposes of Section 2.02 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 [and applications for a special commitment] under this Loan.

For the purpose of delivering Applications to the Bank, including by electronic means, 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 Bank.

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

[Name], [position] Specimen Signature: _____

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.*

[Name], [position]

Specimen Signature: _____

[Name], [position]

Specimen Signature: _____

Yours truly,

/ signed /

[Position]

Attachment 2 - Interim Unaudited Financial Statements (IUFR)

Strengthening Public Financial Management in Rajasthan (P156869) IUFR 1: Sources and Uses of Funds for the quarter ended..... Loan Number 8855-IN				
				INR '000
S.No.	Description	Quarter	YTD	CTD
1	2	3	4	5
Sources/ Receipts				
	Funds received from GoR			
	Total Sources/ Receipts	-	-	-
Uses of Funds				
A	Category 1: Technical Assistance	-	-	-
1	Component 1: Strengthening Public Financial Management Framework	-	-	-
2	Component 2.1: Strengthening Expenditure and Revenue Systems and Capacity	-	-	-
3	Component 3: Project Management	-	-	-
B	Category 2: EEP under Result Based Financing	-	-	-
1	Component 2.2: Strengthening Expenditure and Revenue Systems and Capacity			
	Total Uses of Funds (TA+EEP)	-	-	-
<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> Signature Accounts Officer </div> <div style="text-align: center;"> Signature State Project Director </div> </div>				

Strengthening Public Financial Management in Rajasthan (P156869)
IFR 2: Uses of Funds Under TA Component for the quarter ended
Loan Number 8855-IN

INR '000

S.No.	Description	Quarter	YTD	CTD
1	2	3	4	5
A	Category 1: Technical Assistance			
1	Component 1: Strengthening Public Financial Management Framework	-	-	-
	Sub-component 1.1: Enhancing effectiveness of Audit			
	Sub-component 1.2: Strengthening planning, management and monitoring of capital expenditures projects			
	Sub-component 1.3: Strengthening Decentralized Participative Planning			
	Sub-component 1.4: Using Data for Policy Action			
	Sub-component 1.5: Institutional Strengthening of Finance Department			
2	Component 2.1: Strengthening Expenditure and Revenue Systems and Capacity	-	-	-
	Sub-component 2.1.1: Capacity building on Rajasthan Transparency in Public Procurement Act and Rules			
	Sub-component 2.1.2: Strengthening Cash & Debt Management			
	Sub-component 2.1.3: Strengthening Commitment Control and Contract Management			
	Sub-component 2.1.4: Strengthening revenue systems and capacity			
	Sub-component 2.1.5: Support for new measures identified for revenue enhancement			
3	Component 3: Project Management, Monitoring & Evaluation and Coordination	-	-	-
	Total expenditure under TA	-	-	-

Signature
Accounts Officer

Signature
State Project Director

Strengthening Public Financial Management in Rajasthan (P156869)

IUFR 3: DLI Disbursement for the quarter ended

Loan Number 8855-IN

INR '000

S.No.	Particulars	Total
1	Cumulative EEP (from IFR-1)	-
2	Eligible EEP [(1)*70%]	-
3	Disbursement till date under Category 2	
4	Remaining Qualifying EEP [(3) - (2)]	-
5	Value of DLIs Achieved during the period (From DLI Achievement Summary)	
6	DLIs Achieved To be Disbursed Now (Capped to Remaining Qualifying EEP)	

Signature
Accounts Officer

Signature
State Project Director

Strengthening Public Financial Management in Rajasthan (P156869)
IUFR 4: TA Disbursement Summary Sheet for the quarter ended
Loan Number 8855-IN

INR '000

Category No.	Category Description	Eligible Expenditure for the Quarter	Bank Share %	To be Reimbursed
1	2	3	4	5
1	Goods, works, non-consulting services, and consulting services, Training and Operating Costs for Components [1], [2.1] and [3] of the Project	-	70%e	-
2	Eligible Expenditure Program (EEP) under Component [2.2] of the Project	-	70%e	-
Signature Accounts Officer		Signature Project Director		

Strengthening Public Financial Management in Rajasthan (P156869)
IUFR 5: Advance forecast for the six month period ended
Loan Number 8855-IN

INR '000

Advance forecast for next 6 months

S.No.	Description	For the Quarter...	For the Quarter...	Total	Bank share @ 70%
1	2	3	4	5	6
A	Category 1: Technical Assistance				
1	Component 1: Strengthening Public Financial Management Framework				-
	Sub-component 1.1: Enhancing effectiveness of Audit				
	Sub-component 1.2: Strengthening planning, management and monitoring of capital expenditures projects				
	Sub-component 1.3: Strengthening Decentralized Participative Planning				
	Sub-component 1.4: Using Data for Policy Action				
	Sub-component 1.5: Institutional Strengthening of Finance Department				
2	Component 2.1: Strengthening Expenditure and Revenue Systems and Capacity				-
	Sub-component 2.1.1: Capacity building on Rajasthan Transparency in Public Procurement Act and Rules				
	Sub-component 2.1.2: Strengthening Cash & Debt Management				
	Sub-component 2.1.3: Strengthening Commitment Control and Contract Management				
	Sub-component 2.1.4: Strengthening revenue systems and capacity				
	Sub-component 2.1.5: Support for new measures identified for revenue enhancement				
3	Component 3: Project Management, Monitoring & Evaluation and Coordination				-
	Total expenditure under TA				-

Signature
Accounts Officer

Signature
Project Director

Strengthening Public Financial Management in Rajasthan (P156869)
IUFR 6: Payments made under Prior Review Contracts as on quarter ended
Loan Number 8855-IN

INR '000

S.N.	Contractor/ Supplier/ Consultant	Contract No. & Date	Description	Contract Amount	Stipulated / Actual Date of Completion	WBR No.	Date of NO from Bank	Amount paid during the quarter	Amount paid YTD	Amount paid CTD

<p align="center">Signature Accounts Officer</p>	<p align="center">Signature State Project Director</p>
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