

March 17, 2015

H.E. Gervais Rakotoarimanana  
Minister of Finance and Budget  
Ministry of Finance and Budget  
B.P. 61  
Antananarivo 101  
Madagascar

Excellency:

**Re: IDA Credit No. IDA-5564-MG  
(Second Integrated Growth Poles and Corridor Program (SOP-1)  
Additional Instructions: Disbursement  
First Restatement of Disbursement Letter**

I refer to the Financing Agreement between the International Development Association (the "Association") and Republic of Madagascar (the "Recipient") for the above-referenced project, with even date herewith. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of financing 5564-MG ("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:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

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

**(iii) Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in Section IV.B.1 of Schedule 2 to the Financing Agreement.

## **II. Withdrawal of Financing Proceeds**

**(i) Authorized Signatures (subsection 3.1).** A letter in the Form attached (Attachment 2) should be furnished to the World 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  
Resident Mission  
Antananarivo, Madagascar  
Attention: Mark R. Lundell, Country Director

**(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,  
Delta Center, 13th Floor,  
Menegai Road, Upper Hill,  
Nairobi, Kenya.  
Attention: Loan Department

**(iii) Electronic Delivery (subsection 3.4)** The Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association's Client Connection, web-based portal. The option to deliver Applications to the Association by electronic means may be effected if: (a) the Recipient 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 Association for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the Association agrees, the Association will provide the Recipient 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 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.

**(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 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* ("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 twenty percent of the Designated Account Ceiling.

**(vi) Advances (sections 5 and 6).**

- *Type of Designated Account (subsection 5.3):* Segregated
- *Currency of Designated Account (subsection 5.4):* USD
- *Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):* BNI Madagascar
- *Ceiling (subsection 6.1):* US\$ 3,500,000.

### **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 requests for Reimbursement:*
  - Statement of Expenditure in the form attached (Attachment 4)
  - Customized Statement of Expenditures in the form attached (Attachment 5) for expenditures under Category (3) (Matching Grants)
  - Form of Payments Against Contracts Subject to the Bank’s Prior Review (Attachment 6)
- *For reporting eligible expenditures paid from the Designated Account:*
  - Statement of Expenditure in the form attached (Attachment 4)
  - Customized Statement of Expenditures in the form attached (Attachment 5) for expenditures under Category (3) (Matching Grants)
  - Form of Payments Against Contracts Subject to the Bank’s Prior Review (Attachment 6)
- *For requests for Direct Payment:* records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

*(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):* monthly.

*(iii) Other Supporting Documentation Instructions:* Detailed supporting documentation such as copies of bank statements of the Designated Account and reconciliation statements for the Designated Account should be maintained by the Recipient for review by the Association or independent auditors.

### **IV. Other Disbursement Instructions.**

The Designated Account at the central bank will be opened by the Treasury.

### **V. Other Important Information**

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Association’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. Print copies are available upon request.

From the Client Connection 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.

If you have not already done so, the Association recommends that you register as a user of the Client Connection website (<https://clientconnection.worldbank.org>). 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. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. 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 Ms. Aissatou Diallo, Sr. Finance Officer at [LOAAFR@worldbank.org](mailto:LOAAFR@worldbank.org) using the above reference.

Sincerely,



Mark R. Lundell  
Country Director  
Madagascar, Mozambique, Mauritius, Comoros, and Seychelles  
Africa Region

<sup>ACT</sup> Attachments

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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 1, 2013
4. Form of Statement of Expenditure
5. Customized Statement of Expenditure
6. Form of Payments Against Contracts Subject to the Bank's Prior Review

Prepared by: Jean Owino

Cleared with and cc: Nathalie Munzberg (LEGAM)  
Michael Engman (GTCDR)  
Aissatou Diallo (WFALA)

Bcc: J. Byamugisha (GGODR)

J. Owino (WFALA)

Cc with copies: Projet Pôles Intégrés de Croissance  
2ème étage, Maison de La Réunion  
Isoraka, Antananarivo 101  
Madagascar  
E-mail: [pic@moov.mg](mailto:pic@moov.mg)