

03-Jun-2022

Food and Agriculture Organization of the United Nations Vialle delle Terme di Caracalla 00153 Rome Italy

(Attention: The Representative)

RE:ARTF Grant No. TF0B8720 (Afghanistan Emergency Food Security Project) Disbursement and Financial Information Letter (DFIL)

Excellency:

I refer to the Grant Agreement between the Food and Agriculture Organization of United Nations ("FAO" or 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 above-referenced project. The Standard Conditions, as defined in the Grant Agreement, provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B8720 ("Grant"), and may set out Project specific financial reporting requirements. This letter ("Disbursement and Financial Information Letter"), s, constitutes such additional instructions. It may be revised from time to time subject to prior consultation between the Parties.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The World Bank Disbursement Guidelines for Investment Project Financing, dated February 2017, ("Disbursement Guidelines") are available in the Association's public website at https://www.worldbank.org, and are an integral part of the Disbursement and Financial Information Letter, and the manner in which the provisions in the guidelines apply to the Grant 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

General Provisions (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications, and instructions on supporting documentation, and frequency of reporting on the Advance.

(ii) Electronic Delivery. Reference to Section 7.01 of the Standard Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Bank's web-based portal "Client Connection" at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of "Client Connection". The designated officials

will 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 Bank by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the Bank. 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.** Section 2.07 (a) and (b) of the Standard Conditions

(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 quarter, interim unaudited financial reports ("IFR") for the Project covering such quarter. Per FMFA, FAO will submit the grant's annual financial statement of account within three (3) months of the close of its financial year.

(ii) Audits.

- External Audit. The Project shall be subject exclusively to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of FAO, applied in conformity with the single audit principle observed by the United Nations system as a whole. The Report of the External Auditor on the annual financial statements of FAO is publicly disclosed on the FAO website. FAO will inform the Association when such reports become available as well as their location on the website.
- Internal Audit. The FAO Office of the Inspector General (OIG) may conduct an internal audit of the project, in accordance with its Charter, The World Bank may request to obtain a copy of the final audit report.

III. Other Information.

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association's website and "Client Connection". The Association 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, or if you have any queries in relation to the above, please contact the Association by email at Assloans@worldbank.org.

Yours sincerely,

Melinda Yood

Melinda Good Country Director Afghanistan, South Asia Region International Development Association

Attachments

- 1.
- Form of authorized Signatories Form of Interim Unaudited Financial Report (IUFR) 2.

With copies:

Schedule 1 : Disbursement Provisions

			Basic I	nformation		
Numl	ber	Recipient	Food and Agriculture Organization of United Nations (FAO) Afghoriston Emergency Dishurgement			ed in section IV.B.6. of Schedule 2 to the ARTF Grant element.
ARTF Grant	TF0B8720	Name of the	Afghanistan Emergency	Disbursement		(4) months after the closing date.
		Project	Food Security Project	Deadline Date	-	
			Dishamasan Mathada a	Subsection 3.7		la 4° am
D'-l-	4 M - 41 1	1	Disbursement Methods an			
Disbursemen Section		Methods				Documentation (4.3 and 4.4 (*)
Direct Payment	1 /	No	Not Applicable	ى ت	nusections	5 4.5 unu 4.4 (⁻)
Reimbursement		No	Not Applicable			
Advance		Yes	Interim Financial Reports	(IFRs) (Attachi	ment 2 of t	the DFIL)
Special Commit	ments	No	Not Applicable			
		-	Designated Accou		and 6 *)	
Type			orporate Account, segregate maintained to record the rec	-	Ceiling	Variable
Financial Instit	ution	An account indicate Association	ated by FAO and acceptable	e to the	Currency	USD
Frequency of R	eporting	Quarterly		A	Amount	Based on 6 months forecast provided in the Interim Financial Report approved by the Bank.
			Minimum Value of A	nnlications (sub	section 3	5)

Minimum Value of Applications (subsection 3.5)

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 **)

The Form for Authorized Signatories Letter is provided in the Attachment 1 of this letter which should be furnished to the Association at the address indicated below, providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank Afghanistan Country Office Attention: Country Director, Afghanistan

All Withdrawal Applications and its supporting documentation will be electronically sent via the Association's web portal Client Connection.

Other Disbursement Instructions

- 1. The grant funds will flow directly from the World Bank to the FAO's corporate bank accounts. FAO will make payments to vendors with bank accounts outside Afghanistan from its corporate bank account. For payments inside Afghanistan, FAO will transfer funds to Afghanistan via its pooled bank account in the Afghanistan International Bank (AIB).
- 2. Further Advances from the FAO may be made to the implementing partners. The quarterly IFRs will report advances given to the Implementing partners, commitments made by FAO and actual expenditure incurred. The Bank will only document expenditure based on actual spending by the implementing partners, as confirmed by FAO.
- 3. On an exceptional basis, further advances may be made to the contractors, vendors, consultants and Financial Services Providers.
- 4. Each quarter, the Bank will review the quarterly progress report and IFRs submitted by FAO to confirm expenditure documentation and approve additional advances. The Bank, based on approved IFR, will document reported expenditure, and disburse advances to FAO's corporate account.

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

Attachment 1 – Form of Authorized Signatory Letter

[Letterhead]
FAO
[Street address]
[City] [Country]

[DATE]

The World Bank Country Office Kabul, Afghanistan

Attention: Country Director

RE: ARTF Grant No. TF0B8720 (Afghanistan Emergency Food Security Project)

I refer to (1) the Grant Agreement between the FAO (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), providing the above Financing. For the purposes of Section 3.04 (b) of the Standard Conditions as defined in the ARTF Grant Agreement, any ¹[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 the above Financing.

For the purpose of delivering Applications to the Association, ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

⁵[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*

¹ 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*.

² 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.

³ 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*.

⁴ Instruction to the Recipient: Use this bracket <u>only</u> 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*.

⁵ 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*.

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 /

Attachment 2- Form of Interim Financial Report (IFR)

Afghanistan Emergency Food Security Project (Afghanistan EFSP Project) P178280 - ARTF Grant # STATEMENT OF RECEIPTS AND PAYMENTS & FORECAST

For the	ie Quarter Ended	••••	
		USD	
Description		Actual	
	Reporting Period	Year -To Date	Cumulative to Date
Coprporate Account Opening Cash Balances for Grant XXX			
Add: Sources of Funds			
Advances Received from the World Bank			
Direct Payment			
Reimbursement			
Total (A)	-	-	_
Uses of Funds			
Category description as per legal agreement			
Category (1) Goods, works, non-consulting services, consulting services, Training, and Operating Costs			
a. Seeds and Fertilizers			
b. Goods other than seed and fertlizers			
c) Sub-projects Works Implemented by Contractors			
d) Non-consultancy Services by Implementing Partners			
e) Non-Consulting Services other than above (d), Consulting			
Services, Trainings, and Incremental Operating Cost			
Category (2) Indirect Costs/ Admin Fee (5% of the			
Actual Expinditures)			
Total Disbursements (B)			
	-	-	-
Closing Cash Balance A-B	-	-	-
Forecast for the six months ending xxxxxx			
Less: Closing Cash Balance (from (d) above)			-
Amount requested as advance in the application			-
	Should reconcile with	Client Connection total	receipts.
	a		
	Snould agree with total	amount disbursed per o	component in page (2)

Afghanistan Emergency Food Security Project (Afghanistan EFSP Project) P178280 - ARTF Grant # USES OF FUNDS BY PROJECT ACTIVITIES For the Quarter Ended

	For the Qu	ıarter Ended .								
	PLA	NNED	ACTU	JAL	COMN	IITTED	VARIA	NCE **	PAD	
Project Components and Activities	Current	Cumulative		Cumulative	Current	Cumulative	Current	Cumulative	Life of	Revised Life
	Period	to date	Current Period	to date	Period	to date	Period	to date	project	of Project *
Component 1: Provision of essential agricultural inputs and services (US\$120 million).										
Component 2: Provision of water and resilience services (US\$80 million).										
Component 3: Implementation Support										
TOTAL PROJECT EXPENDITURES	-	-	-	-	-	-	-	-	0)
* This column reflects a re-costing of the project done in xxxxx										
** Variances over 15% to be explained				Not over 15%	6					
** Explanation of variances over 15% to be documented here.										

	 -	
Afghanistan Emergency Food Security Project (Afghanistan EFSP Project)		
P178280 - ARTF Grant #		
FAO Corporate Account Activity Statement for ARTF Grant for Quarter Ended	1	
PART I	USD	USD
1. Cumulative advances to end of last reporting period as per client connection	-	
2. Cumulative expenditures to end of last reporting period as per client connection	-	
3. Outstanding Advance to be accounted as per client connection		-
PART II		
Opening Corporate Account balance at beginning of reporting period (as of)		
Add: Advances from World Bank during reporting period		
Total funds available during the quarter (A)		-
Goods, works, Consulting Services, Non-Consulting Services, Training, and Incremental Operating Cost,		
Admin Fee (5% of the Actual Expinditures)		
	-	
Total Expenditure and project's advances (B)		
Closing balance (A-B)		-
Closing balance as per UN General Ledger for Grant XXX		
Difference (Should be nil, if not explanation to be provided)**		-
*Note: Outstanding Advances provided under the project to be documented only after it has been acquitted		
**Explanation for the difference, if any in the closing balance		

Annex to IFR

PROJ GRAI PERI	JECT NUMBER: P178280 JECT NAME: Afghanistan EFSP P NT NUMBER: XXXXX OD COVERED: From xxx - xxx Sheet aim to report and track the sta		nplemented ei	ther through Con	tractors or IP's										
S.No	Implementing Partners (IP's) Name/ Contractor Name	Sub-projects Name		d Value of Sub- rojects	In re	porting period		P's/ Contractors	ulative to date		Physical Progress in percentage		Documentation	on by FAO wit	
			AFN	USD	Percentage of Contracted Value	AFN	USD	Percentage of Contracted Value	AFN	USD		AFN	USD	AFN	USD
3							-		-	-					
4															
5															
6															
7															
8															
9															
							-		-	-					

PRO	JECT NUMBER: P178280									
PRO	JECT NAME: Afghanistan EFSP Pı	roject								
GRA	NT NUMBER: XXXXX									
PER	IOD COVERED: From xxx - xxx									
This	Sheet aim to report and track the sta	atus of Seeds, fertlizers	and related items	procured, and	l distributed in	each reportin	g period			
S.No	Supplier Name	Value of Goods Conti	racts	Quan	tity in units pro	cured	Payments Transferred to Supplier			
		AFN	USD	Seeds	Fertilizers	other				
1										
3										
4										
5										
6										
7										
8										
9										
(Note	es) Narrative Report: This should expla	ined the total quantity of	of goods procured, q	uantity of good	s delievered to	warehouses, an	d quantity of go	ods distributed	to eligible beni	ficeries.

PRO.	ECT NUMBER: P178280																			
PRO.	ECT NAME: Afghanistan E	FSP Pro	ject																	
GRAI	T NUMBER: XXXXX																			
PERI	OD COVERED: From xxx -	xxx																		
This 5	sheet aim to report and track	the stat	us of cash	distributions to la	abors for Labor inters	ive works a	nd to the s	pecified ve	ndors, NGO's etc											
	·																			
																	Amount Reimbursed	to MSP's an	d FSP's	
		e	ce Fee	Provinces		"Pass	Through A	mount"		Payments by FSPs to	Payment by !	MSP's during	the reporting	period of each items		Service Fee		D.	ass through M	
S.No	Name of MSP, or FSP	Servi	ce ree	Frovinces						rayments by r 5rs to				late amount paid		Service rec	e paid	r	ass uirough M	oney raid
	Name of Mor, of For			Covered							below an	d overall con	nmulative to	nate amount paid						
	Name of Mot , of Por	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries	Vendors	NGO's		Commulative to date	AFN	USD	Commulative to date	AFN	USD	Commulative to date
1	Name of Mor , or Por	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries				•	AFN	USD	Commulative to date	AFN	USD	Commulative to date
1 3	Name of Phys., of Post	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries				•	AFN	USD	Commulative to date	AFN	USD	Commulative to date
1 3 4	Name of 1919, of For	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries				•	AFN	USD	Commulative to date	AFN	USD	Commulative to date
1 3 4 5	Name of NEST, of PSI	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries				•	AFN	USD	Commulative to date	AFN	USD	Commulative to date
1 3 4 5 6	Name of NEST, of PSI	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries				•	AFN	USD	Commulative to date	AFN	USD	Commulative to date
1 3 4 5 6 7	Name of Also, or Est	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries				•	AFN	USD	Commulative to date	AFN	USD	Commulative to date
1 3 4 5 6 7 8	Name of Alas , or Est	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries				•	AFN	USD	Commulative to date	AFN	USD	Commulative to date
1 3 4 5 6 7 8	Admir Of The Conference of the	AFN	USD	Covered	CFW beneficiaries	Vendors	NGO's	other	Commulative to date	CFW Benificeries				•	AFN	USD	Commulative to date	AFN	USD	Commulative to date