

OFFICIAL
DOCUMENTS

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Abdoulaye Seck
Country Director for Bangladesh and Bhutan

28.09, 2023

Ms. Sharifa Khan
Secretary
Economic Relations Division
Ministry of Finance
Dhaka, Bangladesh

Dear Secretary Khan:

**Re: IDA Credit 7300-BD
Sustainable Microenterprise and Resilient Transformation
Additional Instructions: Disbursement and Financial Information Letter.**

I refer to the Financing Agreement between People's Republic of Bangladesh ("Recipient") and the International Development Association ("Association") for the above-referenced Project, dated 28.09.2023. The General Conditions, as defined in the Financing Agreement, provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Credit 7300-BD ("Financing"), and specify certain financial management reporting and audit requirements. This letter ("Disbursement and Financial Information Letter" or "DFIL"), as revised from time to time, constitutes such additional instructions.

The *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 its secure website "Client Connection" at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of this Disbursement and Financial Information Letter, and the manner in which the provisions in the guidelines apply to the Financing is specified below.

I. Disbursement Arrangements, Withdrawal and Reporting of Financing Proceeds.

(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 (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Electronic Delivery. Refer to section 11.01(c) of the General Conditions:

- The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association's web-based portal (<https://clientconnection.worldbank.org>) "Client Connection". This option may be effected if: (a) the Recipient has designated in writing, 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”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. 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 Association'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 Recipient shall prepare and furnish to the Association through Palli Karma-Sahayak Foundation (PKSF) not later than sixty (60) days after the end of each fiscal quarter, Interim Unaudited Financial Report (IUFR) for the Project covering the fiscal quarter.

(ii) Audits. Each audit of the Financial Statements shall cover the period of one (1) 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 shall be furnished to the Association through PKSF not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s website (<http://www.worldbank.org>) 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 Credit, 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 askloans@worldbank.org using the above reference.

Sincerely,
INTERNATIONAL DEVELOPMENT ASSOCIATION



Abdoulaye Seck
Country Director for Bangladesh and Bhutan
South Asia Region

Attachments

1. Form of Authorized Signatory Letter
2. Format of Interim Unaudited Financial Report

Schedule 1: Disbursement Provisions

Basic Information					
Credit Number	IDA 7300-BD	Country	People's Republic of Bangladesh	Closing Date	Section III.B.2 of Schedule 2 to the Financing Agreement.
		Recipient	People's Republic of Bangladesh		
		Name of the Project	Sustainable Microenterprise and Resilient Transformation Project	Disbursement Deadline Date <i>Subsection 3.7</i> **	Four months after the Closing Date.
Disbursement Methods and Supporting Documentation					
Disbursement Methods Section 2 (*)	Methods Available	Supporting Documentation Subsections 4.3 and 4.4 (*)			
Direct Payment	Yes for Category 4 of the table in Schedule 2 Section III.A of the Financing Agreement ("Withdrawal Table")	Copy of Records - invoice			
Reimbursement	Yes	Interim Unaudited Financial Report (Attachment 2)			
Advance	Yes	Interim Unaudited Financial Report (Attachment 2) Copy of bank statements			
Special Commitment	Yes for Category 4 of the Withdrawal Table	Copy of Letter of Credit Proforma Invoice, if cited in the Letter of Credit			
Designated Account (Sections 5 and 6**)					
Type	Segregated to be operated by PKSF	Ceiling	Variable		
Financial Institution - Name	Nationalized commercial bank acceptable to the Association	Currency	BDT		
Frequency of Reporting Subsection 6.3 (**)	Quarterly	Amount	Forecast for two quarters as per the IUFR		

Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 1,000,000 equivalent.

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 **)

Authorized Signatories Letter:

The World Bank
Plot E32, Agargaon
Sher-e Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh
Attention: Country Director for Bangladesh and Bhutan

Withdrawal and Documentation Applications:

The World Bank
No. 11, Taramani Main Road
Taramani, Chennai – 600 113
India
Attention: Team Lead, WFACS

Additional Instructions

- (i) All payments for expenditures claimed under this Financing must be made using the banking system, except expenditures paid using the petty cash system following the Recipient's existing policy. The petty cash limit as per the Recipient's existing policy is BDT 100,000.
- (ii) In case of Category 1 of the Withdrawal Table - Grants under Parts 1.1, Part 1.2 and Part 1.3 of the Project, paid and incurred expenditures reported by Partner Organizations (POs) would be included in the IUFR.
- (iii) In case of Category 2 of the Withdrawal Table – Lines of Credit under Part 2.1 of the Project and Category 3 of the Withdrawal Table – Lines of Credit under Part 2.2 of the Project, paid and incurred expenditures reported of the Microenterprises would be included in the IUFR.

*Sections and subsections indicated 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
Plot E32, Agargaon
Sher-e Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh
Attention: Country Director for Bangladesh and Bhutan

Re: IDA Credit 7300-BD (Sustainable Microenterprise and Resilient Transformation)

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“Association”) and People’s Republic of Bangladesh (“Recipient”), dated _____, providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [one]¹ 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, [each]² of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually]³ [jointly]⁴, to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

[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 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.*

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.]⁵

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

[Name], [Position] Specimen Signature: _____

[Name], [Position] Specimen Signature: _____

[Name], [Position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

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.*

⁶ Instruction to the Recipient: In case signatory(ies) are authorized separately for part(s)/category(ies) included in the Financing Agreement, the authorized signatories letter may make reference to the relevant part(s)/category(ies) in the subject line. *Please delete this footnote in final letter that is sent to the Association.*

Project
IDA Cr. No.
Designated Account (DA) Reconciliation Statement
For the quarter

In Local Currency Unit (BDT)

Sl. No.	Description	Amount Tk.	Total Amount
Part - 1			
1.	Cumulative Advance to end of current reporting quarter		
2.	Less.Cumulative expenditure to end of last reporting quarter		
3.	Outstanding Advances to be Accounted		
PART-2			
4.	Opening DA Balance as at beginning of the Reporting Period		
	Opening Project Account (Advance to Pos) Balance as at beginning of the Reporting Period		
	Add/Subject: Interest received		
5.	Add. Advance during the quarter		
6.	Sub Total of Advances And Adjustments		
7.	Less. Refund from DA during the quarter		
8.	Outstanding Advances to be Accounted		
9.	Closing DA Balance at the end of Current Reporting Period		
10	Add. Advance to POs and MEs outstanding amount		
12	Add/Subject: Cumulative Adjustments (if Any)		
13	Add:Amount of eligible expenditures for Current Disbursement Period		
14	Sub Total of Advances And Adjustments		
15	Less.Interest Earned (if Credited into DA)		
	Total Of Account for		

Project:			
IDA Cr. No.			
Project Cash Forecast Statements			
For the quarter ended			
Description/Category	(a)	(b)	(e)
	Cash requirements for the next quarter	Cash requirements for the next to next quarter	IDA eligible total cash requisition for next 6 months
Category as per Financing Agreement			
Total IDA Financed			
Statement of Required Advance to Designated Account			
	Particulars		BDT
	Projected IDA eligible expenditure for next six months		
	Less. Closing DA Balance after Adjustments		
	Less. Advance to POs/MEs (Break down attached)		
	Less. Closing Cash In Hand		
	Less. Amount to be paid through Direct Payment of Special Commitment		
	Requested Amount to be Advanced to DA		

Project:
IDA Credit No. XXXX-BD
List of advance provided to POs/Mes
For the quarter ended , 202X

Sl. No.	Name of POs/Mes	Advance Paid	Exp. reported/amount adjusted during this quarter	Net amount of advance	Cumulative amount paid to PO
Total					