May 23, 2013

Hon. Kosti Manibe Ngai
Minister
Ministry of Finance and Economic Planning
Juba, Republic of South Sudan

Dear Honorable:

Re: South Sudan: Advance Agreement for Preparation of Proposed
Local Governance and Service Delivery Project
Preparation Advance No. Q842-0-RSS

Additional Instructions: Disbursement

Excellency:

I refer to the Advance Agreement ("Agreement") between the Republic of South Sudan ("Recipient") and the International Development Association ("World Bank") for the preparation of the above-referenced Project, dated February 6, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Project Preparation Advance Q842-0-RSS ("PPA"). 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 PPA 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 PPA:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Refinancing Date specified in the Agreement. Any changes to this date will be notified by the
(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in Section 3.02 of the Annex to the Agreement.

**II. Withdrawal of PPA 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 Office  
Juba, South Sudan  
Attention: Berhane Manna, Acting Country Manager, World Bank Juba Office

(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  
4 Fricker Road  
IFC Building ILLOVO 2196  
Johannesburg  
South Africa  
Attention: Loan Department

(iii) **Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications is 20 percent of outstanding advance made to the Designated Account – i.e. US Dollars 60,000.

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

- **Type of Designated Account(s) (subsection 5.3):** Segregated  
- **Currency of Designated Account(s) (subsection 5.4):** US Dollar  
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Commercial Bank acceptable to the Association  
- **Ceiling (subsection 6.1):** US Dollar 300,000.

**III. Reporting on Use of PPA Proceeds:**

Monthly

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:
• **For requests for Reimbursement:**
  
  o Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts US$ 100,000 or more for works and goods, US$100,000 or more for consulting firms and US$50,000 or more for individual consultants;
  
  o Statement of Expenditure in the form attached (Attachment 4) for all other expenditures; and
  
  o List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5)

• **For reporting eligible expenditures paid from the Designated Account:**
  
  o Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued US$100,000 or more for works and goods, US$100,000 or more for consulting firms and US$50,000 or more for individual consultants;
  
  o Statement of Expenditure in the form attached (Attachment 4) for all other expenditures; and
  
  o List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5).
  
  o Designated Account Reconciliation Statement in the form attached (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**

Copies of the bank statements of the Designated Accounts and reconciliation statements for all Accounts should be submitted with each Application for withdrawal for replenishment of the Designated Account.

All other supporting documentation in support of Statements of Expenditures will be maintained by the Recipient to be made available for review by the Association or external auditors.
IV. Other Important Information


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

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (http://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the PPA, 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 Hassine Hedda - Finance Officer at hhedda@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Bella Bird
Country Director for South Sudan
Africa Region

Attachments

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Form of Statement of Expenditures
5. Form of Payments against Contracts Subject to the Bank's Prior Review
6. Form of Designated Account Reconciliation Statement

Disbursement Letter prepared by Hassine Hedda

Cleared with and cc: Siobhán McInerney-Lankford – LEGAM
Zishan Karim - SASDL

Cc with copies: Project Financial Management Unit
Ministry of Finance and Economic Planning (MoFEP)
Juba, South Sudan
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Ms. Deborah Bird
Dear Country Director:

Re: South Sudan: Advance Agreement for Preparation of Proposed Local Governance and Service Delivery Project
Preparation Advance No. Q842-RSS

I refer to the Advance Agreement ("Agreement") between the Republic of South Sudan ("Recipient") and the International Bank for Reconstruction and Development ("World Bank") dated ______, providing for the above Project Preparation Advance. For the purposes of Section 3.03 of the Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility, as defined in the Agreement, any [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 this [Project][Program] Preparation Advance:

[Name], [position]  Specimen Signature: __________________________

[Name], [position]  Specimen Signature: __________________________

[Name], [position]  Specimen Signature: __________________________

Yours truly,

/ signed /

[Position]²

1 Instruction to the Recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.
2 The letter should be signed by the official designated as the Recipient’s Representative in the Advance Agreement.
Terms and Conditions of Use of Secure Identification Devices
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

January 20, 2010

The World Bank (Bank)³ will provide secure identification devices (Tokens) to permit the Borrower⁴ to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide Tokens to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC) website (https://clientconnection.worldbank.org) prior to delivery of Tokens. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Distribution, Initialization and Return of Tokens.

1. The Bank will physically deliver a Token to each Signatory in a manner to be determined by and satisfactory to the Bank.

2. At the time of delivery of a Token to a Signatory, the Signatory will receive a copy of these Terms and Conditions of Use for purposes of initializing the Token.

3. The Bank will verify that the Token, Temporary Password and Terms and Conditions of Use have been duly delivered to and received by the CC User.

4. Promptly upon receipt of the Token and Terms and Conditions of Use, the Signatory will access CC using his/her account name and CC Password and register his/her Token and set a personal identification number (PIN) to be used in connection with the use of his/her Token, after which the Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the Token, the Signatory will be a “Token

³ “Bank” includes IBRD and IDA.
⁴ “Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
User”. The Bank will maintain in its database a user account (Account) for each Token User for purposes of managing the Token of the Token User. Neither the Borrower nor the Token User will have any access to the Account.

5. Prior to first use of the Token by the Token User for delivering Applications, the Borrower shall ensure that the Token User has received training materials provided by the Bank in use of the Token.

6. Tokens shall be promptly returned to the Bank upon request of the Bank.

C. Management of Tokens.

1. Tokens will remain the property of the Bank.

2. Use of the Token is strictly limited to use in the delivery of Applications by the Token User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the Token is prohibited.

3. The Bank assumes no responsibility or liability whatsoever for any misuse of the Token by the Token User, other representatives of the Borrower, or third parties.

4. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in delivery of a Token to each Token User) that each Token User is provided, understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

Security

4.1. The Token User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The Token User shall not allow anyone else to utilize a Token to deliver an Application to the Bank.

4.3. The Token User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the Token User believes a third party has learned his/her PIN or has lost his/her Token he/she shall immediately notify clientconnection@worldbank.org.

4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised Tokens, and take other reasonable steps to ensure such Tokens are disabled immediately.

Care of Tokens

4.6. Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Token.
4.7 Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care Tokens are available at http://www.rsa.com.

5. Replacement

5.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Tokens will be replaced at the expense of the Borrower.

5.2. The Bank reserves the right, in its sole discretion, not to replace any Token in the case of misuse, or not to reactivate a Token User’s Account

6. Reservation of Right to disable Token

6.1. The Borrower shall reserve the right to revoke the authorization of a Token User to use a Token for any reason.

6.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a Token, de-activate a Token User’s Account or both.
Attachment 4

Statement of Expenditures (SOE)

Payments made during the period from __________________ to __________________

Date: __________________

Application No.: __________________

PPA No.: __________________

For expenditures against the contracts not subject to the Bank's Prior Review

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category</th>
<th>Total Contract Amount</th>
<th>Total Amount Covered by Application (Net of Retention)</th>
<th>Eligible % from Article III of Letter Agreement</th>
<th>Amount Eligible for Financing (4 x 5)</th>
<th>Currency and Amount Paid from Designated Account (if Applicable)</th>
<th>Exchange Rate (Col. 7 divided by Col. 6)</th>
<th>Remarks</th>
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Supporting documents for this SOE retained at __________________

(location)
### Payments Made during Reporting Period
Against Contracts Subject to the World Bank's Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB's Share of Amount Paid to Supplier during Period</th>
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DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN NUMBER
ACCOUNT NUMBER WITH (BANK)

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCER) $____

2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - $____

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO
   THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = $____

4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK
   STATEMENT AS OF DATE $____

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS
   APPLICATION NO. $____

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED
   REASON: $____

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS
   NOT YET CREDITED AT DATE OF BANK STATEMENTS
   APPLICATION NO. AMOUNT *
   $____

   SUBTOTAL OF PREVIOUS
   APPLICATIONS NOT YET CREDITED + $____

8. MINUS: INTEREST EARNED - $____

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 TOUGH NO. 9) = $____

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

11. DATE: SIGNATURE: 
    TITLE: 

* ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENT