H.E. Mr. Jaafar Hassan  
Minister of Planning and International Cooperation  
Ministry of Planning and International Cooperation  
Amman, Hashemite Kingdom of Jordan  
(Transmission by fax: 962-6-464-2247)

H.E. Ali Ghezawi  
Minister of Municipal Affairs  
Ministry of Municipal Affairs  
Amman, Hashemite Kingdom of Jordan  
(Transmission by fax: 962-6-566-0768)

Excellencies:

Re: Hashemite Kingdom of Jordan: Secondary Cities Development Strategy Project  
Trust Fund Grant No. TF097333  
Additional Instructions: Disbursement

I refer to the Letter Agreement (“Agreement”) between the International Bank for Reconstruction and Development and the International Development Association (collectively, “World Bank”), acting as administrator of grant funds provided under the Cities Alliance Multi-Donor Trust Fund, and the Ministry of Municipal Affairs of Jordan (“Recipient”) for the above-referenced project (“Project”), of even date. The Agreement provides that the World Bank may specify by notice to the Recipient additional instructions regarding the withdrawal of the grant proceeds for Grant TF097333 (“Grant”). 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 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 and the Agreement, 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 Grant:

- Advance
- Reimbursement – for eligible expenditures covered under the final Project audit and in excess of advances disbursed under this Grant.

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Letter Agreement. Any changes to this date will be specified by notice to the Recipient from the World Bank.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 3) 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
1818 H Street, NW
Washington, DC 20433
United States of America

Attention: William John Cobbett
Program Manager
Cities Alliance Secretariat
Mail Stop: MC4-413
Finance, Economics, and Urban Department

(ii) Applications ( subsections 3.2 - 3.3). Please provide completed and signed Applications, together with supporting documents, to the address indicated below:

The World Bank
1818 H Street, NW
Washington, DC 20433
United States of America

Attention: William John Cobbett
Program Manager
Cities Alliance Secretariat
Mail Stop: MC4-413
Finance, Economics, and Urban Department
(iii) **Electronic Delivery** (subsection 3.4). The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank 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 devices (“Tokens”) from the World Bank 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 World Bank agrees, the World Bank will provide the Recipient with Tokens 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 World Bank 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 Tokens to Process Applications.** By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 2; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) **Minimum Value of Applications** (subsection 3.5). The minimum value of Applications should be consistent with the terms specified in the contract(s) entered into under the Agreement.

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

- **Type of Designated Account** (subsection 5.3): Pooled (Project Account)
- **Currency of Designated Account** (subsection 5.4): US Dollars
- **Financial Institution at which the Designated Account Will Be Opened** (subsection 5.5): Central Bank of Jordan
- **Ceiling** (subsection 6.1): US$150,000
III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each Application, as set out below:

- For Applications for Advances (subsection 3.3) and for Reporting on the Use Advances (subsection 4.4):
  - Applications for advances should be accompanied by the documents specified in Attachment 4, including:
    - Interim Financial Reports in the agreed format provided in Attachment 5

- For Applications for Reimbursement:
  - Applications for reimbursement should be accompanied by the documents specified in Attachment 4, including:
    - Audited Financial Statements referred to in Attachment 4 and as specified in the Agreement, and
    - Completion Report referred to in Attachment 4 and as specified in the Agreement

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): The periodicity specified in the Agreement for furnishing interim unaudited financial reports.

IV. Other Important 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 Grant, 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 Mr. Madhavan Balachandran, Financial Management Specialist, at mbalachandran@worldbank.org using the above reference.

Yours sincerely,

/s/ Heidi Larby
Country Director
Middle East Department

Attachments
2. Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation
3. Form for Authorized Signatures
4. Indicative Schedule of Advance Payments and Final Reimbursement
5. Draft IFR

Cleared with and cc: Maria Lourdes Pardo, LEGCF
Andrea Zeman, Cities Alliance
Marie Khoury, LOA Fiduciary & Controls Division
Trust Fund Accounting Clearance Team

Cc with copies: Carmen Brinckhaus, CTRDM
Attachment 2

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) will provide secure identification devices (Tokens) to permit the Borrower 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 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.
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Cities Alliance Secretariat
Finance, Economics and Urban Development
Mail Stop No. MC8-804

Dear Sir/Madam:

Cities Alliance – Jordan – Secondary Cities Development Strategy Program
Trust Fund Grant No. TF097333, Project ID P121762

I refer to the Letter Agreement (“Agreement”) between the International Bank for Reconstruction and Development and the International Development Association (collectively, “World Bank”), acting as administrator of grant funds provided under the Cities Alliance Multi-Donor Trust Fund, and the Ministry of Municipal Affairs of Jordan (“Recipient”), dated [DATE], 2010, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any of the persons whose authenticated specimen signatures appear below, in addition to the person who signed the Letter Agreement, is authorized on behalf of the Recipient to sign applications for withdrawal under this Grant:

[Name], [position]  Specimen Signature: __________________

[Name], [position]  Specimen Signature: __________________

[Name], [position]  Specimen Signature: __________________

Yours truly,

Mr. Saleh Jaradat
Director
Regional Planning Department
Ministry of Municipal Affairs of Jordan
### Indicative Schedule of Advance Payments and Final Reimbursement

The Recipient’s requests for withdrawal of Grant proceeds shall be made in accordance with the schedule set forth below, subject to the World Bank’s receipt of the relevant Application and Supporting Documentation, satisfactory to the World Bank. The supporting documentation for all advances excepting the first advance, shall include a Progress Report and Interim Financial Report, and copies of any corresponding deliverables, that cover the activities, results and deliverables financed by the preceding Advance.

<table>
<thead>
<tr>
<th>Advance</th>
<th>Indicative Timing and Supporting Documents for Application</th>
<th>Disbursement Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Advance</td>
<td>Upon execution of the Agreement, and after receipt of the original signed Authorized Signatories Form (Attachment 2 of the Disbursement Letter) and original signed Withdrawal Application for the first advance <em>(duly signed by the Authorized Signatories)</em>.</td>
<td>150,000</td>
</tr>
<tr>
<td>Second Advance</td>
<td>After receipt of:</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td>1. <strong>Progress Report and Interim Financial Report</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>that cover the expenditures financed by the first advance;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. <strong>Original signed Withdrawal Application for the second advance</strong> <em>(duly signed by the Authorized Signatories)</em>.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. All deliverables produced during the period, including:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Approved list of task force members and developed terms of reference for City Task Force of the Cities;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Proceedings of workshop to launch the Project;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Output of the reviewed national policies, legislation and regional strategies on cities and local governance;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. City level data collection plans for each city.</td>
<td></td>
</tr>
<tr>
<td>Third Advance</td>
<td>After receipt of:</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td>1. <strong>Progress Report and Interim Financial Report</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>that cover the expenditures financed by the second advance;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. <strong>Original signed Withdrawal Application for the</strong></td>
<td></td>
</tr>
</tbody>
</table>
**third advance (duly signed by the Authorized Signatories).**

- All deliverables produced during the period, including:
  1. Socio-economic assessment for the Cities;
  2. Urban infrastructure, poverty assessment and social services study for the Cities;
  3. Detailed environmental assessment for Zarqa;
  4. General environmental assessment for Tafilah;
  5. Municipal management and capacity assessment for the Cities;
  6. SWOT analyses and vision statements for each of the Cities;
  7. Strategy for building capacity of Greater Amman Municipality (GAM) to transfer knowledge and experience to other Jordanian municipalities.

| Final Reimbursement | After the Recipient’s completion of the activities financed under this Grant and the receipt and acceptance of:
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Original signed Withdrawal Application for the final reimbursement (duly signed by the Authorized Signatories).</td>
</tr>
<tr>
<td></td>
<td>• Completion Report and audited Financial Statements.</td>
</tr>
<tr>
<td></td>
<td>• All deliverables produced during the period, including:</td>
</tr>
<tr>
<td></td>
<td>1. Final City Development Strategy focused on Local Economic Development for the Cities;</td>
</tr>
<tr>
<td></td>
<td>2. Documentation of monitoring system, including performance standards and time bound monitoring indicators to measure short-term and longer-term impacts of the CDSs;</td>
</tr>
<tr>
<td></td>
<td>3. CD-Rom of CDS Training Program.</td>
</tr>
</tbody>
</table>

An amount up to 26,000
### Project Name

**Sources and Uses of Funds for the Reporting Quarter**

*ended (month)(date), (Year)*

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Local Currency</th>
<th>In Dollars</th>
<th>Exchange Rate Applied*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening Balance (B/F)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA Designated Account</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Other Co finance funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(A) Total Opening Balance as on (date)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Add : Receipts/Sources of Funds</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>1. Funds received from CA on (date)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Interest earned on the funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Funds received from Co Financiers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(B) Total Receipts (1+2+3)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Source Available (A+B)**

**Less: Uses of Funds**

**Types of Expenditures:**

1. Supervision & Grant Admin Costs
2. Consulting Services
3. Dissemination Costs
4. Training/Seminars & Workshops
5. Other ***
6. Other Bank Fee/charges

**C) Sub total for CA funds expenditure**

**D) Utilization of Co-finance**

**Total Uses of Funds (C + D )**

**Closing Balance (C/F)**

1. CA Designated Account
2. Other Co finance funds

**Total Closing Balance as on (date) (1+2)**

---

Prepared by (name)……………  
Authorized Signature…………  
Date……………

* Exchange Rate means the exchange rate used for conversion from US Dollars to the local currency and vice versa

*** Please explain the type of expenditure included under “Other”
## Project Activity Report

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Total CA approved Budget</th>
<th>Supervision &amp; Grant Admin Cost $</th>
<th>Consulting Services $</th>
<th>Dissemination Cost $</th>
<th>Training/Capacity Building Cost $</th>
<th>Others /i $</th>
<th>Total for the Quarter $</th>
<th>Cumulative Expenditure up to the reporting period</th>
<th>Exchange Rate applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organization of Effort and Establishing Baseline Situations</td>
<td></td>
<td>210,000</td>
<td></td>
<td></td>
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<tr>
<td>2. Development of a Programmatic Multi-City LED Strategy</td>
<td></td>
<td>180,000</td>
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<tr>
<td>3. Knowledge Management and Dissemination:</td>
<td></td>
<td>35,000</td>
<td></td>
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<tr>
<td><strong>Sub Total</strong></td>
<td></td>
<td><strong>425,000</strong></td>
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<td></td>
<td></td>
<td><strong>1</strong></td>
<td><strong>51,000</strong></td>
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<tr>
<td><strong>Project Supervision &amp; Management</strong></td>
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<tr>
<td>a. Project Management</td>
<td></td>
<td>46,000</td>
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<tr>
<td>b. Audit</td>
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<td>5,000</td>
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<tr>
<td><strong>Sub Total</strong></td>
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<td><strong>51,000</strong></td>
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<td><strong>2</strong></td>
<td><strong>112,000</strong></td>
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<tr>
<td><strong>Total (CA grant) in US$/i</strong></td>
<td></td>
<td><strong>476,000</strong></td>
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<td><strong>3</strong></td>
<td><strong>476,000</strong></td>
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<td><strong>Total (CA grant) in Local Currency</strong></td>
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<tr>
<td><strong>Co Finance Expenditure</strong></td>
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<tr>
<td>1. MOMA</td>
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<td>75,000</td>
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<tr>
<td>2. 4 Municipalities</td>
<td></td>
<td>112,000</td>
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<td>3. RLDP</td>
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<td>660,000</td>
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<td>4. WBI</td>
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<td>27,000</td>
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<td>5. AFD</td>
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<td>30,000</td>
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<tr>
<td><strong>Total Co finance Exp in US$</strong></td>
<td></td>
<td><strong>904,000</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>4</strong></td>
<td><strong>1,380,000</strong></td>
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</tr>
<tr>
<td><strong>Total Co finance Exp in local currency</strong></td>
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<tr>
<td><strong>Grand Total in US$/ii</strong></td>
<td></td>
<td><strong>1,380,000</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>5</strong></td>
<td><strong>1,380,000</strong></td>
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<tr>
<td><strong>Grant Total in Local currency</strong></td>
<td></td>
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</tr>
</tbody>
</table>

**Note:**

i/ Please provide the details of this expenditure

ii/ Please provide the exchange rate applied of the reporting date.
<table>
<thead>
<tr>
<th>Authorized Signatory signature and Name</th>
<th>Prepared by</th>
<th>Date</th>
</tr>
</thead>
</table>

