Dr. Ngozi Okonjo-Iweala  
Coordinating Minister for the Economy and  
Honorable Minister of Finance,  
Federal Ministry of Finance  
Finance Building  
Central Business Area  
Abuja  
Nigeria  

Excellency,

Re: Nigeria: Credit Number 5407-NG  
(Additional Financing for Community and Social Development Project)  
Additional Instructions: Disbursement

I refer to the Financing Agreement between the Federal Republic of Nigeria (the “Recipient”) and the International Development Association (the “Association”) 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 Credit 5407-NG (“Credit”). 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 Credit:
- Advance
- Reimbursement
- 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.
II. Withdrawal of Financing Proceeds

(i) **Authorized Signatures (subsection 3.1).** An authorized signatory letter in the Form attached (Attachment 2) 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,  
Nigeria Country Office  
102, Yakubu Gowon Crescent  
Asokoro, Abuja  
Federal Republic of Nigeria

Attention: Marie Francoise Marie-Nelly  
Country Director for Nigeria

(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  
13th Floor Delta Center  
Menengai Road  
Upper Hill  
P.O. Box 30557-00100  
Nairobi Kenya

Tel +254 20 2936 000

(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 US$200,000.

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

- **Type of Designated Accounts (subsection 5.3):** Pooled with the original designated accounts for Loan No 4496

  Designated Account A maintained for activities implemented at Federal level, for Project Component 1.
  Designated Account B or Project Components 2, 3, and 4 managed by the Participating States.

- **Currency of Designated Accounts (subsection 5.4):** USD

- **Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):**

  Designated Account A – Access Bank PLC
  Designated Account B – Skye Bank

- **Ceiling (subsection 6.1):** Flexible ceilings are authorized, as follows:
  - Designated Account A for Federally managed activities and expenditures under Project Component 1: the ceiling will be US$ 1,000,000 ($ 1 million).
  - For Designated Account B, for managed activities and expenditures under Project Component 2, 3, and 4 managed by the Participating States the ceiling will be reviewed annually and revised based on expenditure forecasts derived from approved Annual Work Plans and Budgets, and will be equivalent to 4 months' expenditure forecasts.

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:**
  - Summary Sheet of payments against contracts that are subject to the Association's prior review, in the form attached (Attachment 5);
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices and documentary evidence of delivery and the Recipient's acceptance of contracted goods or services) for payments against contracts valued more than US$300,000 for goods, US$100,000 for consulting firms, US$ 50,000 for individual consultants and payments more than $100,000 for operating expenses or expenses on training and workshops; and


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- Statement of Expenditure in the form attached (Attachment 4) for all other expenditures.

- For requests for Direct Payments and Special Commitments: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and the Recipient's acceptance of contracted goods or services.

(ii) Other Supporting Documentation Instructions

a) For disbursement of Grants to communities, the Statement of Expenditure (Attachment 4) should include information on the identity of the Community (Ward) and the date of its legal registration.

b) Copies of the bank statement of all the Designated Accounts and a reconciliation statement for these Accounts should be submitted with each Application of replenishment.

c) All supporting documentation for SOEs will be retained by the State Agency PFMU and shared with FMOF / FPFMD for consolidation purposes, and must be made available for review by periodic World Bank mission and internal and external auditors.

IV. Other Important 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>.

If you have any queries in relation to the above, please contact LOA-afr@worldbank.org, using the above reference.

Yours sincerely,

[Signature]

Marie Francoise Marie-Nelly
Country Director for Nigeria
Africa Region
Attachments

2. Form for Authorized Signatures
4. Form of “Statements of Expenditures” (SOEs)
5. Form of Summary Sheet for Payments Against Contracts Subject to the World Bank’s Prior Review
6. Form of Designated Account Activity Statement
[Letterhead]
Federal Ministry of Finance
Finance Building
Central Business Area
Abuja
Nigeria.

[DATE]

The World Bank
Nigeria Country Office
102, Yakubu Gowon Crescent
Asokoro, Abuja
Federal Republic of Nigeria

Attention: Country Director for Nigeria

Dear [Country Director]:

Re: Nigeria: Credit Number 5407-NG
(Additional Financing for Community and Social Development Project)
Additional Instructions: Disbursement

I refer to the Financing Agreement between the Federal Republic of Nigeria (the "Recipient") and the International Development Association (the "Association") for the above-referenced project, dated __________. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of Credit 5407-NG ("Credit").

For the purposes of Section 2.03 of the General Conditions 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 Financing.

[This confirms that the Recipient is authorizing such persons to accept Tokens 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

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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: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Tokens 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.
Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens"), the Recipient represents and warrants to the Association that it will deliver to each such person a copy of the Terms and Conditions of Use of Tokens and 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 /

[Position]
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 Borrower\(^4\) 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.

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\(^3\) "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.
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.
# STATEMENT OF EXPENDITURE (SOE)

Payments made during the period from ________________________ To ________________________

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No.</th>
<th>Name of Supplier, Contractor, or Consultant</th>
<th>Brief Description of Goods or Services</th>
<th>Total Amount of Contract (Include all currencies)</th>
<th>Currency of Expenditure</th>
<th>Total invoice amount covered by this application (net of retention)</th>
<th>Eligible % of financing paid</th>
<th>Currency and eligible amount paid (7\times(8)</th>
<th>US$ Equivalent paid from Designated Account</th>
<th>Date of Payment</th>
<th>Exchange Rate</th>
<th>Remarks</th>
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**TOTALS**

Supporting documents for this SOE retained at: ________________________________
<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 Amt Paid to Supplier during Period</th>
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Grant No.:
Bank and Account No.:

Part I
1. Cumulative advances to end of current reporting period
2. Cumulative expenditures to end of last reporting period
3. Outstanding advances to be accounted (1-2)

Part II
4. Opening DA balance at beginning of reporting period (per Bank statement attached, as of ....)
5. Add/Subtract: Cumulative adjustments, including interest earned and recoveries by WB, (if any)
6. Advances received from the World Bank during current reporting period
7. Closing DA balance at end of current reporting period (per Bank statement attached, as of ....)
8. Outstanding amount of advances to be accounted for (4+5+6-7)

9. Total Expenditures reported for current reporting period, including this Application

<table>
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<tr>
<th>Applic No.</th>
<th>Amount</th>
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Total (9)

10. Difference (if any) 9-8

Remarks

Approved by: