April 10, 2015

Honorable Martin Dlamini  
Minister of Finance  
Ministry of Finance  
Mbabane  
Kingdom of Swaziland

Dear Honorable Minister,

Re: European Union Grant No. TF11740-SW (Health, HIV/AIDS and TB Project)  
First Revision of the Additional Instructions: Disbursement

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of the European Union grant for the co-financing of Health, HIV/AIDS and TB Project (IBRD Loan No. 8019 SZ) and The Kingdom of Swaziland (the "Recipient") for the above-referenced project, dated April 4, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No.TF11740-SW ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This letter is the first revision of the disbursement letter dated April 4, 2012, restating Section II (vi) introducing a new ceiling of USD 1,500,000 under the fourth bullet point. The letter has also been updated to reflect the agreed electronic options under section II(iv) for the use of SIDC instead of Token and to update the World Bank address under Section II (ii). All other provisions shall remain in full force and effect.

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, 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:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Grant Agreement.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1).
An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the 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
P.O. Box 12629
Hatfield 0028
Pretoria, Republic of South Africa
Attention: Asad Alam

(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
Attention: Loan 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 credentials ("SIDC") 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 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 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 SIDC to Process Applications. By designating officials to accept 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 SIDC") provided in Attachment 5; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). For purposes of direct payments, the Minimum Value of Applications is 20% of the amount advanced to the respective Designated Account.

(vi) Advances (sections 5 and 6).

Designated Account A- Ministry of Health Designated Account

- **Type of Designated Account (subsection 5.3):** (i) Segregated or (ii) Pooled, exclusively with IBRD 8019 loan proceeds

- **Currency of Designated Account (subsection 5.4):** United States Dollars (USD)

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Central Bank of Swaziland

- **Ceiling (subsection 6.1):** USD 1,500,000

Designated Account B- Deputy Prime Minister's Office Designated Account

- **Type of Designated Account (subsection 5.3):** (i) Segregated or (ii) Pooled, exclusively with IBRD 8019 loan proceeds

- **Currency of Designated Account (subsection 5.4):** United States Dollars (USD)

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Central Bank of Swaziland

- **Ceiling (subsection 6.1):** USD 150,000—once the disbursement conditions for Disbursement Category 4—Grants under Part C (ii) of the Project are fulfilled, this ceiling may be adjusted.

III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:
For activities implemented by the Ministry of Health:

- For requests for Reimbursement and for eligible expenditures paid from the Designated Account- A:
  
  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 4)
  
  - Records evidencing eligible expenditures (Attachment 3A- Statement of Expenditure (SOEs) - with supporting documentation, e.g., copies of receipts, supplier invoices, for payments made under contracts above SOE documentation thresholds - Consulting Firms against contracts valued at USD 100,000 equivalent or more; (ii) Individual Consultants against contracts valued at USD 50,000 equivalent or more; (iii) Goods against contracts valued at USD 200,000 or more; (iv) Works against contracts valued at USD 500,000 or more
  
  - Statement of Expenditure in the form attached (Attachment 3B- Statement of Expenditure - with no supporting documentation, for payments made under all other contracts (below SOE documentation thresholds, above) and for Training and Operating Costs.

- For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

For activities implemented by Deputy Prime Minister's Office:

- For requests for Reimbursement and for eligible expenditures paid from the Designated Account- B:
  
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 4)
  
  - Customized Statement of Expenditures only for Disbursement Category 4 - Grants under Part C (ii) of the Project- to be designed once the related disbursement category condition is fulfilled and consistent with the OVC Manual, still to be prepared (Attachment 3C- Customized Statement of Expenditure for OVC Grants).
  
  - Records evidencing eligible expenditures (Attachment 3A – Statement of Expenditure (SOEs)- with supporting documentation, e.g., copies of receipts, supplier invoices, for payments made under contracts above SOE documentation thresholds - Consulting Firms against contracts valued at USD 100,000 equivalent or more; (ii) Individual Consultants against contracts valued at USD 50,000 equivalent or more; (iii) Goods against contracts valued at USD 200,000 or more;
  
  - Statement of Expenditure in the form attached (Attachment 3B – Statement of Expenditure – with no supporting documentation, for payments made under all other contracts (below SOE documentation thresholds, above) and for Training and Operating Costs.
• For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures Paid from either Designated Account (subsection 6.3): Monthly

(iii) Other Supporting Documentation Instructions A Designated Account activity reconciliation statement and Bank Statement should be submitted with each withdrawal application reporting on the use of Loan proceeds from the Designated Account.

Taking into consideration that: (i) this European Union grant will only become effective once all conditions of effectiveness for the IBRD 8019 loan have been fulfilled and (ii) the overall project design, in which all project activities are jointly co-financed from the IBRD loan and the European Union grant, the Borrower may submit withdrawal applications supporting eligible expenditures to be charged to the IBRD loan and/or to the European Union grant, in accordance with the financing percentages stipulated in the respective financing agreements.

IV. Other Important Information


From the Client Connection 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.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://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. 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 World Bank by email at <clientconnection@worldbank.org>

If you have any queries in relation to the above, please contact Chris Nieuwoudt, Finance Officer at cnieuwoudt@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Chris Nieuwoudt
Finance Officer
Africa Region
Attachments:

Please note that all attachments to this disbursement letter are exactly the same as for IBRD Loan No. 8019 SZ (and its disbursement letter dated December 14, 2011), except for Attachment 2 (Form of Authorized Signatures) and 5 (Terms and Conditions of Use of SIDC) (which is attached with this Disbursement Letter).
Copy to:

Honorable Ms. Sibongile Ndlela-Simelane
Minister of Health
Ministry of Health

Honorable Mr. Paul Dlamini
Deputy Prime Minister
Deputy Prime Minister's Office

Mr. Bheki Bhembe Principal
Secretary Ministry of Finance

Dr Simon M. Zwane
Principal Secretary Ministry of Health

Ms. Khangeziwe Mabuza
Principal Secretary
Deputy Prime Minister's Office

Mr. Bertram Stewart
Principal Secretary
Ministry of Economic Planning and Development
[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C.
20433
United States of America

Attention: [Country Director] Dear [Country Director]:

Re: Grant No. -_(Project)

I refer to the Grant Agreement ("Agreement") between the [International Bank for Reconstruction and Development/International Development Association] ("World Bank"), acting as [an implementing agency of the Global Environmental Facility] [administrator of the Global Partnership on Output-based Aid] [administrator of name of the trust fund], and [name of recipient] (the "Recipient"), dated _____ providing the above Grant. For the purposes of Section 3.04 (b) of the Standard 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 Grant.

For the purpose of delivering Applications to the World Bank, 2[each] of the persons whose authenticated specimen signatures appear 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 World Bank.

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 World Bank by electronic means.

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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. Please delete this footnote in final letter that is sent to the World Bank.

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 World Bank.

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 World Bank.

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 World Bank.
In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in 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 SIDC"), the Recipient represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the World Bank 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 Credentials
in connection with Use of Electronic Means

to Process Applications
and Supporting Documentation

March 1, 2013

The World Bank (Bank)\(^1\) will provide secure identification credentials (SIDC) to permit the Borrower\(^2\) 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.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

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 SIDC 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 receipt of his/her SIDC. 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. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

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\(^1\) "Bank" includes IBRD and IDA.

\(^2\) "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a “SIDC User”. The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. **Use of SIDC.**

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

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

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

4. **Security**

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

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

4.3. The SIDC 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 SIDC User believes a third party has learned his/her PIN or has lost his/her Physical 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 SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.
5. **Reservation of Right to Disable SIDC**

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

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

6. **Care of Physical Tokens**

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical 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, Physical 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. Physical 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 Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. **Replacement**

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

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