October 24, 2012

H.E. Mr. Samir Sharifov
Minister of Finance
Ministry of Finance
83 Samed Vurgen Street
Baku AZ1022
Republic of Azerbaijan

Excellency:

Re: IDA Financing 4394-AZ (Education Sector Development Project)
Amendment of Additional Instructions: Disbursement

We refer to the Disbursement Letter dated September 24, 2008 titled *Additional Instructions: Disbursement* for the above IDA Credit extended to the Republic of Azerbaijan (the “Borrower”). We would like to inform you that the said Disbursement Letter is hereby amended to include the following additional instructions:

Section II, *Withdrawal of Financing Proceeds*, the Disbursement Letter referred to above is amended to include a new subsection (iii) which shall read as follows:

(iii) **Electronic Delivery (subsection 3.4).** The Borrower may deliver Applications to the World Bank through the World Bank’s Client Connection, web-based portal, by completing Form 2380, which is accessible through Client Connection (http://clientconnection.worldbank.org). Officials of the Borrower may deliver Applications electronically on behalf of the Borrower if they: (a) have been designated in writing by the Borrower, pursuant to the terms of subparagraph (i) of this Section, to sign and deliver Applications by electronic means and to receive secure identification devices (“Tokens”) from the World Bank, (b) are registered as users of Client Connection, and (c) have received from the World Bank Tokens for such purpose. This constitutes an additional means of delivering Applications to the World Bank. The Borrower may continue to exercise the option of preparing and delivering Applications in paper format. The World Bank reserves the right, and may in its sole discretion, temporarily or permanently, disallow the electronic delivery of Applications by the Borrower.

- **Terms and Conditions of Use of Tokens to Process Applications.** By designating authorized signatories to accept Tokens and by choosing to deliver the Applications electronically, the Borrower confirms its agreement to abide by and to cause the authorized signatories to abide by the *Terms and
Conditions of Use of Secure Identification Device In Connection With Use of Electronic Means To Process Applications for Withdrawal And Supporting Documentation ("Terms and Conditions of Use of Tokens") provided in Annex I. The Borrower also represents and warrants to the World Bank (and such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Tokens, shall be relied upon by the World Bank) that the Borrower shall deliver the Terms and Conditions of Use of Tokens to each authorized signatory and shall cause each authorized signatory to be bound by those terms and conditions.

All remaining subsections of Section II of the Disbursement Letter are renumbered accordingly. All other provisions of the said Disbursement Letter remain in full force and effect. The above-mentioned amendment to the Disbursement Letter shall become effective as of the date of this Amendment Letter.

For the purpose of designating authorized signatories to accept Tokens and to sign and deliver Applications electronically, please submit a revised Supplementary Authorization Letter for Electronic Disbursement Request, in the format provided in Annex II, for the Credit as referred to above. Upon receipt by the World Bank of the Supplementary Authorization Letter for Electronic Disbursement Request, the World Bank will register as users of Client Connection all persons who are authorized by the Borrower to sign Applications for the relevant Credit, and will provide those persons with Tokens. If the World Bank would like to change the persons currently authorized to sign Applications for the Credit concerned, please submit a revised Authorized Signatory Letter, in the format provided in Annex III, for the relevant Credit.

Regards,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Joseph P. Formoso
Senior Finance Officer
Loan Department

Cc: Minister of Education
Ministry of Education
Baku, Republic of Azerbaijan
Prepared by Marie Khoury - CTRLA
Cleared with and cc: Ghada Younes - (LEGEM)
Annex I

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)\(^1\) will provide secure identification devices (Tokens) 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.

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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\(^1\) "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.
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

Attention: Country Director

Re: Supplementary Authorization Letter for Electronic Disbursement Request
IDA Credit 4394-AZ

I refer to the Amendment Letter dated __________, ("Amendment Letter"), amending the disbursement letter titled Additional Instructions: Disbursement ("Disbursement Letter") for the above Credit extended to the Republic of Azerbaijan ("Borrower") , providing additional instructions for the electronic signing and delivery of applications for withdrawal and/or for special commitment ("Applications"). I also refer to the Authorized Signatory Letters submitted to the World Bank in respect of the Credit, authorizing designated persons to sign, on behalf of the Borrower, Applications under each said Loan.

For the purpose of delivering an Application to the World Bank, [each] [any two/three] of the persons whose authenticated specimen signatures appears in the Authorized Signatory Letter for the said Credit as referred to above is authorized on behalf of the Borrower, acting [individually] [jointly], to deliver Applications for withdrawal under the Credit, and evidence in support thereof, including by electronic means, on the terms and conditions specified by the Bank (including the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications for Withdrawal and Supporting Documentation which have been provided by the Borrower to such person(s)).

This Authorization supplements each Authorized Signatory Letter in the World Bank records with respect to the Credit as referred to above.

Yours truly,

/ signed /

[Position]
Annex III

Form of Authorized Signatory Letter

[Letterhead]
Ministry of Education
[Street address]

[DATE]

The World Bank

Attention: Country Director

Re: Credit No. ____-__ (_________ Project)

I refer to the [Loan] Agreement ("Agreement") between the International Development Bank (the "Bank") and [name of borrower] (the ["Borrower"], dated ______, providing the above-listed [Loan]. 4 [For the purposes of Section 2.03 of the General Conditions,] [For the purposes of Section 3.04 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 Borrower to sign applications for withdrawal [and applications for a special commitment] under this [Loan].

For the purpose of delivering the Application to the World Bank, [each] [any two/three] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting [individually] [jointly], to deliver applications for withdrawal, and evidence in support thereof, including by electronic means, on the terms and conditions specified by the Bank (including the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications for Withdrawal and Supporting Documentation which have been provided by the Borrower to such person(s)).

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to [this/these] Agreement(s).

Yours truly,

/ signed /

[Position]

1 Instruction to the Borrower: See footnote 1 above.
2 Instruction to the Borrower: Use "Borrower" in the case of a Loan; use "Recipient" in the case a Grant.
3 Instruction to the Borrower: See footnote 1 above.
4 Instruction to the Borrower: Use the following bracketed text only for Loans.
5 Instruction to the Borrower: Use the following bracketed text only for trust fund grants.
6 Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.
7 Instruction to the Borrower: See footnote 1 above.