Honorable Kemi Adeosun  
Minister of Finance  
Federal Ministry of Finance  
Finance Headquarters  
Central Business District  
FCT, Abuja  

Honorable Minister:

Re: Federal Republic of Nigeria  
Credit No. 6098-NG (Portion A of the Credit) and  
Credit No. 6099-NG (Portion B of the Credit)  
(Kaduna State Economic Transformation Program)  
Additional Instructions: Disbursement

I refer to the Financing Agreement between the International Development Association (the “Association”) and the Federal Republic of Nigeria (the “Recipient”) providing the above-referenced financing (the “Financing”) (the “Financing Agreement”), of even date herewith. The Financing Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of the Financing. This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The capitalized terms used in this Disbursement Letter have the meanings ascribed to them in this Disbursement Letter or in the Financing Agreement (as the case may be).

I. Disbursement Arrangements

(i) Withdrawal Applications. Applications for withdrawal from the Financing Account ("Withdrawal Applications") of amounts of the Financing allocated to individual Disbursement Linked Indicators ("DLI’s") may, pursuant to the provisions of Section IV.A of Schedule 2 of the Financing Agreement, be sent to the Association at any time after the Association has notified the Recipient in writing that it has accepted evidence of achievement of the specific DLI’s. (Attachment 4).

(ii) Withdrawal Amount. The Withdrawal Application may be for an amount not to exceed the amount of the Financing confirmed by the Association for the specific DLI in respect of which the withdrawal is requested, as specified in the Association’s notice to the Recipient.

(iii) Advances and Recovery of Advances. The Recipient may, in accordance with provisions of the Financing Agreement, request advances of amounts of the Financing using the Form attached (Attachment 5). The aggregate amount of all such advances may not exceed the equivalent of Special Drawing Rights 25% of the amounts of the Financing proceeds.

The Association records an amount of the advance as disbursed for an achieved DLI ("recovered") after it has notified the Recipient of its acceptance of the evidence of
achievement of the DLI for which the advance was provided. The amount so reclassified becomes available for further advances in accordance with the preceding paragraph.

(iv) **Disbursement Deadline Date.** The period of disbursement of the Financing ends six months after the Closing Date ("Disbursement Deadline Date"). This is the final date established by the Association for receipt by the Association of Withdrawal Applications. Normally, to support orderly closure of the Financing Account, the Association does not accept Withdrawal Applications received after the Disbursement Deadline Date. The Recipient should promptly inform the Association of any expected implementation delays or exceptional administrative issues before these dates. The Association will notify the Recipient of any exception that the Association may make to the Disbursement Deadline Date.

(v) **Deposits of Financing Amounts.** All withdrawals from the Financing Account shall be deposited by the Association into the KDSG’s Consolidated Revenue Fund (CRF) Account held at Central Bank of Nigeria (CBN).

(vi) **Withdrawal Conditions.** Please refer to the Withdrawal Condition(s) in Section IV. B. of Schedule 2 of the Financing Agreement.

II. **Withdrawal Applications**

(i) **Authorized Signatories for Withdrawal Applications.** 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 Withdrawal Applications:

    The World Bank Office
    102 Yakubu Gowon Crescent
    P.O. Box 2826, Garki
    Abuja, Nigeria

    Attention: Mr. Rachid Benmessaud, Country Director for Nigeria

(ii) **Withdrawal Applications.** Please provide completed and signed Withdrawal Applications, to the address indicated below:

    The World Bank
    Delta Center, 13th Floor,
    Upper Hill, Menengai Road,
    P.O. Box 30577 - 00100
    Nairobi, Kenya

    Tel: 254 20 2936 000

    Attention: Loan Department

(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 2; and (b) to cause such official to abide by those terms and conditions.

III. Other Important Information

For additional information on disbursement arrangements and electronic delivery of Withdrawal Applications, please visit our secure website "Client Connection" at https://clientconnection.worldbank.org.

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 Withdrawal Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and other information. All Recipient officials authorized to sign and deliver Withdrawal 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 Faly Diallo, Finance Officer, at fdiallo1@worldbank.org or Loa-afr@worldbank.org, or a member of the Loan Department team responsible for the Nigeria portfolio using the above reference.

Yours sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 

Rachid Bemessaoud
Country Director for Nigeria
Africa Region
Attachments

2. Form for Authorized Signatures
4. Sample of Result Achievement Notification
5. Sample Form for Advances
Form of Authorized Signatory Letter

Federal Ministry of Finance
Abuja, Nigeria

[DATE]

The World Bank Office in Nigeria
102 Yakubu Gowon Crescent
P.O. Box 2826, Garki
Abuja, Nigeria

Attention: Country Director

Re: Federal Republic of Nigeria
Credit No. 6098-NG (Portion A of the Credit) and
Credit No. 6099-NG (Portion B of the Credit)
(Kaduna State Economic Transformation Program)

Dear Mr. Benmessaoud:

I refer to the Financing Agreement ("Agreement") between the Federal Republic of Nigeria (the "Recipient") and the International Development Association (the "Association"), dated ______, providing the above Financing. 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.

For the purpose of delivering Applications to the Association, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

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 Bank.

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.

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.
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 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 World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: ___________________

[Name], [position] Specimen Signature: ___________________

[Name], [position] Specimen Signature: ___________________

Yours truly,

/ signed /

____________________
[Position]

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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.

5 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 World Bank.
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)\(^6\) will provide secure identification credentials (SIDC) to permit the Borrower\(^7\) 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.

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

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\(^6\) “Bank” includes IBRD and IDA.

\(^7\) “Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a Financing.
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 Financing 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.
The World Bank
1818 H Street NW
Washington, DC 20433
United States of America

Attention: [Country Director]

Re: [Credit/Financing number] [Program name]
Results Achievement

Dear [Madam/Sir],


In accordance with the provisions of Schedule 2, Section IV, B.1 of the [Loan/Credit/Financing] Agreement, we are pleased to inform you that the following Disbursement Linked Results (DLR) have been achieved:

- DLR # {insert number and brief description}
- DLR # ....
- DLR # ....

Achievement of [this/these] result(s) has been verified according to the "Summary Protocol for Verifying Achievement of DLIs" as referred to in the Project Appraisal Document [and the Program Operations Manual]. Documents evidencing achievement of the DLRs are attached.

Sincerely,

[Name]
Position

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*To be signed by a representative of the implementing/coordinating agency of the borrower/recipient.*
The World Bank, Loan Department

Re: Federal Republic of Nigeria
IDA Program Financing ________-NG
(Kaduna State Economic Transformation Program)

Dear Sir/Madam,

We refer to the Financing Agreement between the International Development Association (the "Association") and [name of Recipient] (the "Recipient") dated [Date of Signing] providing for the above Financing.

In accordance with the provisions of the Disbursement Letter and Schedule 2, Section IV, B.2 of the Financing Agreement, to support the implementation of the above Program and to facilitate the achievement of the planned results, we request an Advance in the amount of [insert amount].

[We request that the Advance be disbursed in [currency requested for disbursement] equivalent to the Total Advance Requested above.] We acknowledge that the amount disbursed will be charged to the Financing Account in the currency of the Financing at the rate of exchange in effect at the time of disbursement.

Sincerely,

[Name, Position]

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9. The Proposed Advance should be in the currency of the DLI/DLR as set out in the disbursement table in the legal agreement, and in accordance with provisions in the Disbursement Letter. Normally, this is the currency of commitment of the credit.

10. Use this text to designate the currency of the Advance if it should be different from the currency set out in the disbursement table in the legal agreement.

11. To be signed by a representative of the implementing/coordinating agency of the recipient, OR by the person(s) authorized on behalf of the recipient to sign applications for withdrawal under the financing as set out in the applicable Authorized Signatory Letter.