April 28, 2008

Dr. Shamsuddeen Usman  
Honourable Minister of Finance  
Federal Ministry of Finance  
Ahmadu Bello Way  
Abuja, Nigeria

Dear Honorable Minister:

Re: IDA Financing 4364-UNI  
(West and Central Africa Air Transport Safety and Security Program (Phase II): Nigeria 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 April 28, 2008. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of Financing 4364-UNI (the “Financing”). This letter (the “Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006 (the “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 Financing:

- Reimbursement
- Advance
- 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.

(iii) Disbursement Conditions (Subsection 3.8). Please refer to the Disbursement Condition(s) in the Financing Agreement.
II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (Subsection 3.1). A 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 Office in Abuja
Plot 102, Yakubu Gowon Crescent
Opposite Ecowas Secretariat
Asokoro District
Abuja, Nigeria

Attention: Country Director

(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 Office in Abuja
Plot 102, Yakubu Gowon Crescent
Opposite Ecowas Secretariat
Asokoro District
Abuja, Nigeria

Attention: Financial Management / Disbursement Unit

(iii) Minimum Value of Applications (Subsection 3.5). The Minimum Value of Applications for replenishment, direct payment and special commitment is 20% of outstanding advances to the Designated Account.

(iv) Advances (Sections 5 and 6).

- Type of Designated Account (Subsection 5.3): Segregated
- Currency of Designated Account (Subsection 5.4): USD
- Financial Institution at which the Designated Account Will Be Opened (Subsection 5.5): A commercial bank / financial institution acceptable to the Association.
- Ceiling (subsection 6.1): USD 4 million

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:
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for i) goods against contracts valued at USD 500,000 or more; for ii) works
against contracts valued at USD 500,000 or more; iii) consulting services provided by firms against contracts valued at USD 100,000 or more; and iv) for payments for consulting services provided by individuals against contracts valued at USD 50,000 or more;

- o Statement of Expenditure in the form attached (Attachment 3) for all other expenditures/contracts; and
- o List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4).

- **For reporting eligible expenditures paid from the Designated Account:**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for: i) goods against contracts valued at USD 500,000 or more; ii) works against contracts valued at USD 500,000 or more; iii) consulting services provided by firms against contracts valued at USD 100,000 or more; and iv) for payments for consulting services provided by individuals against contracts valued at USD 50,000 or more;
  - o Statement of Expenditure in the form attached (Attachment 3) for all other expenditures / contracts; and
  - o List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4).

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

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (Subsection 6.3):** Monthly.

(iii) **Other Supporting Documentation Instructions:** Copies of bank account statement and Designated Account Reconciliation Statement should be attached to Applications for Withdrawal for replenishment.

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 ([http://clientconnection.worldbank.org](http://clientconnection.worldbank.org)). From this website you will be able to download Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information. 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 Mr. Chau-Ching Shen, Senior Finance Officer, at loa-afr@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Onno Ruh
Country Director for Nigeria
Africa Region

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
3. Form of "Statement of Expenditure"
4. Form of Payments Against Contracts Subject to the Association’s Prior Review

cc: Federal Ministry of Transportation (Air Transport)
    Annex 2, 1st Floor
    Federal Secretariat Complex
    Shehu Shagari Way
    Abuja, Nigeria
    e-mail: petaviation2000@yahoo.com