Secretary
Economic Relations Division
Ministry of Finance
People's Republic of Bangladesh
Sher-e-Bangla Nagar
Dhaka, Bangladesh

Dear Secretary:

Re: IDA Credit 5281-BD
(Safety Net Systems for the Poorest Project)
Additional Instructions: Disbursement

I refer to the Financing Agreement between the International Development Association (the “Association”) and Bangladesh (the “Recipient”) for the above-referenced project, dated [OCTOBER 4, 2013]. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Credit 5281-BD (“Financing”). 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 Credit 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 (applicable for Category (2) and (3))
- Reimbursement
- Direct Payment (applicable for Category (2) and (3))

(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). 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
E-32 Agargaon
Sher-e-Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh
Attention: Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank
No. 11, Taramani Main Road
Taramani, Chennai 600 113
India
Attention: Ms. Samvita R. Arikatla, Finance Officer

(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 for reimbursement applications, for Category 2 and 3, is US$ 1,000,000.
(vi) Advances (sections 5 and 6).

- **Type of Designated Account(s) (subsection 5.3):** Two Segregated Accounts
- **Currency of Designated Account(s) (subsection 5.4):** BDT
- **Financial Institution at which the Designated Account(s) Will Be Opened (subsection 5.5):** A commercial bank / financial institution acceptable to the Association.
- **Ceiling (subsection 6.1):**

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Ceiling Amount in BDT</th>
<th>Applicable Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Disaster Management (DDM)</td>
<td>400,000,000</td>
<td>(2)</td>
</tr>
<tr>
<td>Bangladesh Bureau of Statistics (BBS)</td>
<td>300,000,000</td>
<td>(3)</td>
</tr>
</tbody>
</table>

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 reporting eligible expenditures paid from the Designated Account and Reimbursement:**

  **For Category (2) managed by DDM**
  - Interim Financial Report in the form attached (Attachment 7);
  - List of payments against contracts that are subject to the Association’s prior review in the form attached (Attachment 5)
  - Bank statement and a reconciliation of the Designated Accounts (Attachment 6) for application of advance and reporting eligible expenditures paid from the Designated Account

  **For Category (3) managed by BBS**
  - Statement of Expenditure in the form attached (Attachment 4) for all expenditures/contracts not subject to the Association’s prior review;
  - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 5), and records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices, etc.) for payments against contracts that are subject to the World Bank’s prior review in the form attached (Attachment 5), and
  - Bank statement and a reconciliation of the Designated Accounts (Attachment 6) for application of advance and reporting eligible expenditures paid from the Designated Account

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

- DDM, under Category 2, semi-annual Interim Financial Reports
- BBS, under Category 3, monthly Statements of Expenditure
IV. Other Disbursement Instructions

For Category (1) “Beneficiary wages (under EGPP and TR)”, only the reimbursement method is applicable. The IDA funds will be disbursed based on (i) the eligible expenditures reported by IFRs and statements pertaining to the Eligible Expenditure Programs; and (ii) verification of target DLIs.

V. Other Important Information


From the Client Connection website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Credit, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact Junxue Chu, Senior Finance Officer at LOA-SAR@worldbank.org or Loan Department team in Chennai at ctrdm-chennai@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Operations Adviser

For Country Director for Bangladesh
South Asia Region

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Statement of Expenditure (format)
5. List of Payments against Contracts subject to the Association’s Prior Review (format)
6. Designated Account Reconciliation Statement (format)
7. Interim Financial Report (format)

cc with copies: Secretary, Ministry of Disaster Management and Relief
Secretary, Statistics and Informatics Division