September 9, 2013

Dr. Ngozi Okonjo-Iweala  
Coordinating Minister for the Economy and  
Honourable Minister of Finance  
Federal Ministry of Finance  
Finance Headquarters  
Central Business District  
Abuja, FCT

Dear Honorable Minister:

Re: Nigeria: Credit 5293-NG  
Third National Fadama Development Project Additional Financing  
Additional Instructions: Disbursement

I refer to the Financing Agreement (the “Additional IDA Financing Agreement”) between the Federal Republic of Nigeria (the “Recipient”) and the International Development Association (the “Association”), dated July [24], 2013, providing additional financing in support of the carrying out of various activities under the above-referenced Third National Fadama Development Project (the “Project”). In the Additional IDA Financing Agreement it is explained that such finance-eligible activities may consist both of ongoing Project activities originally approved for financing under the terms of the original IDA Financing Agreement dated November 24, 2008 (IDA Credit No. 4494-NG) (the “Original IDA Financing Agreement”), and of certain additional activities, the latter consisting of activities within the original scope of the Project but scaled-up from their original planned dimensions (pursuant to participating States’ business plans), as well as activities not within the original scope of the Project but newly approved for financing under the terms of the Additional IDA Financing Agreement pursuant to amendments to the Project Description, namely, Parts D.3(iii) and D.5 of the Project, pertaining to Seed multiplication for target value chains, and Use of ICT technology and integration of nutrition advice in the advisory and extension service delivery, respectively. The Additional IDA Financing Agreement also provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Credit No. 5293-NG (the “Additional Financing”). This letter (“Disbursement Letter”), as revised from time to time, shall constitute the additional instructions as pertaining particularly to withdrawals made in respect of such additional Project activities which have been newly authorized pursuant to the Additional Financing, namely, Parts D.3(iii) and D.5 of the Project.¹

¹ We would note that disbursements for the ongoing Project activities approved for financing under the Original IDA Financing Agreement and under annual work plans submitted by participating States are continuing, and that such disbursements are governed by a separate Disbursement Letter which has been issued for those purposes and which has been revised from time to time. This is to clarify that the instructions issued under the current version of such Disbursement Letter (the current such disbursement letter is dated April 29, 2010), shall continue to pertain to withdrawals made in respect of expenditures incurred for all such ongoing activities under the Project, other than such newly authorized additional activities as are approved for financing pursuant to Additional IDA Financing Agreement.
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 Additional 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 Additional Financing:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four (4) months after the Closing Date. Any changes to this date will be notified by the World Bank.

II. Withdrawal of Financing Proceeds

(i) **Authorized Signatures (subsection 3.1).**
A letter in the Form attached (Attachment 2) should be furnished to the World 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  
Nigeria Country Office  
102, Yakubu Gowon Crescent  
Asokoro, Abuja  
Federal Republic of Nigeria

Attention: Marie-Francoise Marie-Nelly  
Country Director for Nigeria

(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,  
Kenya Re Towers, 10th Floor,  
Upper Hill, off Ragati Road,  
Nairobi, Kenya.  
Tel: 254 20 2983 211

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 effectuated 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 of Applications for Reimbursements, Direct Payments or Special Commitments is USD 200,000.

(vi) Advances (sections 5 and 6).

- Number and Type of New Designated Accounts (subsection 5.3): One - Segregated
- Recipient's Responsible Executing Agency/Owner of Designated Account: Managed by Federal Project Financial Management Division (FPFMD) at the Office of the Accountant General of the Federation (OAGF)
- Currency of Designated Account (subsection 5.4): US Dollars
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Zenith Bank
- Ceiling (subsection 6.1): US$ 25,000,000

III. Reporting on Use of 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 and documentary evidence of delivery and the Recipient’s acceptance of contracted goods or services) for payments against contracts valued more than US$ 200,000 or equivalent for goods and non-consulting services, more than $ 100,000 or equivalent for consulting services using firms and more than US $50,000 or equivalent for consulting services using individual consultants;
  - Statement of Expenditures (Attachment 4) for all other expenditures; and
  - Summary Sheet of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5)
- For requests for Direct Payment and Special Commitments: Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and acceptance of contracted goods or service.

IV. Other Disbursement Instructions

- Pursuant to Additional IDA Financing Agreement, Schedule 2, Section IV.B.1.b, the Recipient must fulfill the following withdrawal condition pertaining to payments under any Category to be made with respect to activities taking place in any Participating State: (i) the Recipient has furnished to the Association evidence satisfactory to the Association that the concerned Participating State has duly established its FCAs in form and substance satisfactory to the Association; and (ii) the Association has received evidence confirming that amendments have been made to the respective Subsidiary Agreement satisfactory in form and substance to the Association.

- All supporting documentation for Statements of Expenditures ("SOEs") will be retained by the Financial Management Unit of the NFCO and must be made available for review by periodic World Bank missions and internal and external auditors.

- For disbursement of Grants to various beneficiaries, the Statement of Expenditures shall conform to the format attached hereto (Attachment 4).

- Copies of the bank statement of the Designated Account and any associated operational bank accounts in local currency and a reconciliation statement for these Accounts should be submitted with each Application of replenishment.

V. Other Important Information


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (http://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the project, and retrieve related policy, financial, and procurement information. 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 LOA at email address LOA-afr@worldbank.org using the above reference.

Yours sincerely,

Marie Francoise Marie-Nelly
Country Director for Nigeria,
Africa Region
Attachments

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Form of “Statement of Expenditures”
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review
Form of Authorized Signatory Letter

Federal Ministry of Finance
Finance Building
Central Business District
Abuja, Federal Republic of Nigeria

The World Bank office in Nigeria,
Plot 433, Yakubu Gowon Crescent,
Opposite Ecowas Secretariat,
Asokoro District,
Abuja, Nigeria.

Attention: Marie Francoise Marie-Nelly, Country Director

Re: Nigeria: IDA Credit No. 5293-NG:
Third National Fadama Development Project Additional Financing
Additional Instructions: Disbursement

I refer to the Financing Agreement (the “Additional IDA Financing Agreement”) between the Federal Republic of Nigeria (“Recipient”) and the International Development Association (the “Association”), dated July [24], 2013, providing additional financing for the above-referenced project. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Credit No. 5293-NG (the “Additional Financing”). Among such additional instructions to date has been transmitted a Letter dated July [24], 2013 (the “Additional Financing Disbursement Letter”), specifying the instructions relating to disbursement under scaled-up activities in Participating States, as well as activities under Parts D.3(iii) (seed multiplication for target value chains) and D.5 (Use of ICT technology and integration of nutrition advice in the advisory and extension service delivery) of the Project, which were additional activities newly approved for financing under the Additional IDA Financing Agreement. For the purposes of Section 2.03 of the General Conditions as defined in the Additional IDA Financing Agreement, and the provisions of the Additional Financing Disbursement Letter, 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 such Parts of the Project, including advances to be made to the Designated Account which is newly authorized to be opened in respect of such Parts of the Project under the Additional Financing Disbursement Letter.

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2 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 Association.
For the purpose of delivering Applications to the Association, \textsuperscript{3}[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting
\textsuperscript{4}[individually] \textsuperscript{5}[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

\textsuperscript{6}[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 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 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 Association that it will cause such persons to abide by those terms and conditions.]

\hspace{1cm} [Name], [position] Specimen Signature: _______________

\hspace{1cm} [Name], [position] Specimen Signature: _______________

\hspace{1cm} [Name], [position] Specimen Signature: _______________

Yours truly,

\hspace{1cm} / signed /

\hspace{1cm} [Position]

\textsuperscript{3} Instruction to the Recipient: Stipulate if more than one person needs to \textit{jointly} sign Applications, if so, please indicate the actual number. \textit{Please delete this footnote in final letter that is sent to the Association.}

\textsuperscript{4} Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. \textit{Please delete this footnote in final letter that is sent to the Association.}

\textsuperscript{5} Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. \textit{Please delete this footnote in final letter that is sent to the Association.}

\textsuperscript{6} Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. \textit{Please delete this footnote in final letter that is sent to the Association.}
The World Bank (Bank)\(^7\) will provide secure identification devices (Tokens) to permit the Borrower\(^8\) 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.

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

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\(^7\) "Bank" includes IBRD and IDA.

\(^8\) "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a Credit.
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.