February 7, 2010

H.E. Minister Fayza Aboulnaga
Minister of International Cooperation
Ministry of International Cooperation
8 Adly Street,
Cairo, Egypt

Re: JSDF Grant TF095830 (Arab Republic of Egypt: JSDF Grant for Job Readiness and Job Placement Project) Additional Instructions: Disbursement

Excellency:

I refer to the Letter Agreement (Agreement) between the International Bank for Reconstruction and Development (the “World Bank”), acting as administrator of grant funds provided by Japan (Donor) under the Japan Social Development Fund, and the Arab Republic of Egypt (the “Recipient”) for the above-referenced project, dated January 25, 2010. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of JSDF Grant TF095830 (“Grant”). 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 Grant 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 Grant:

- Reimbursement
- Direct Payment
- Advance
- Special Commitment

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

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Conditions in the Agreement.
II. Withdrawal of Grant 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
World Trade Center
1191 Corniche El-Nil
Boulaq
Cairo, Egypt
Attention: Mr. A. David Craig
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
1818 H Street, NW
Washington, DC. 20433
Attention: Loan Department.

(iii) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is USD 40,000.

(iv) Advances (sections 5 and 6).

- Type of Designated Account (subsection 5.3): Segregated
- Currency of Designated Account (subsection 5.4): US Dollars
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Commercial International Bank
- Ceiling (subsection 6.1) $200,000

III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- For requests for Reimbursement and for reporting eligible expenditures paid from the Designated Account:
  - List of payments against contracts valued at $200,000 or more for Goods and for contracts valued at $100,000 or more for Consultants' Services, with appropriate records evidencing these eligible expenditures (e.g., copies of receipts, supplier invoices); and
  - Statement of Expenditure in the form attached (Attachment 3) for all other expenditures.
- 3 -

- *For requests for Direct Payment:* records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices, above the minimum application size.

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

IV. 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](http://clientconnection.worldbank.org)). From this website you will be able to download Applications, monitor the near real-time status of the Grant, 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 Hyacinth D. Brown, Senior Finance Officer at loa-mna@worldbank.org using the above reference.

Yours sincerely,

A. David Craig
Director
Egypt, Yemen and Djibouti Country Department
Middle East and North Africa Region

Attachments
2. Form for Authorized Signatures
3. Statement of Expenditure forms

cc with copies:
Re: JSDF Grant No. TF095830 (Grant for Job Readiness and Job Placement Project)

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development (the "Bank") acting as administrator of grant funds provided by Japan (Donor) under the Japan Social Development Fund and the Arab Republic of Egypt (the "Recipient"), dated , providing the above Grant. For the purposes of Section 2.03 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 Recipient to sign applications for withdrawal [and applications for a special commitment] under this Grant:

[Name], [position] Specimen Signature: _______________________

[Name], [position] Specimen Signature: _______________________

[Name], [position] Specimen Signature: _______________________

Yours truly,

/ signed /

[Position]

Instruction to the borrower when sending this letter to the Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.