Honorable Dr. Kwabena Duffuor  
Minister of Finance and Economic Planning  
Ministry of Finance and Economic Planning  
Accra  
Republic of Ghana

Honorable Dr. Kwabena Duffuor:

Re: Ghana: Netherlands Grant for Co-financing of Urban Water Project  
(Grant No. TF011457)  
Additional Instructions: Disbursement

I refer to the: (a) Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank") acting as administrator of grant funds provided by the Netherlands ("Donor") under the Trust Fund for the Co-financing of Urban Water Project ("Original Project"), and the Republic of Ghana ("Recipient"); (b) Development Grant Agreement, dated January 5, 2005, as amended to date, between the World Bank and the Recipient ("Original Financing") ("IDA Grant No. H132-GH"); and (c) Financing Agreement for the proposed Additional Financing under the Original Project ("Additional Financing"). The Original Financing and proposed Additional Financing are provided for the Original Project. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Grant – TF011457 ("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
• 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 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
Dr. Isert Road 69
North Ridge Residential Area
Accra, Ghana

Attention: Mr. Yusupha B. Crookes
Country Director for Ghana

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal (Attachment 4), together with supporting documents required, to the address indicated below:

The World Bank
Dr. Isert Road 69
North Ridge Residential Area
Accra, Ghana
Attention: Sergiy Kulyk, Acting Country Director for Ghana

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank 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 devices (“Tokens”) from the World Bank 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 World Bank agrees, the World Bank will provide the Recipient with Tokens 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 World Bank 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 Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment (3); and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and 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 100,000.
(vi) Advances (sections 5 and 6).

- Type of Designated Account (subsection 5.3): Pooled Account with the IDA Grant
- Currency of Designated Account (subsection 5.4): US Dollars
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Bank of Ghana or a commercial bank acceptable to the World Bank
- Ceiling (subsection 6.1): USD 1,000,000.

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:
  - 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 USD 200,000 or equivalent for goods and non-consulting services, more than USD 100,000 or equivalent for consulting services using firms and more than USD 50,000 or equivalent for consulting services using individual consultants (Attachment 4); 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.


(iii) Other Supporting Documentation Instructions:
- Copies of the bank statement of the Designated Account and a reconciliation statement for this account should be submitted with each application for withdrawal, in form attached (Attachment 6).

IV. Withdrawal Conditions and Other Withdrawal Information

- For any expenditure that is financed through the Grant, the Recipient will ensure that these expenditures have not been financed previously from the Original Financing and Additional Financing, or other sources other than the Recipient nor will the Recipient request financing for the expenditures from any other source in the future.
- Withdrawal applications for the Original Financing, Additional Financing, and the Grant have to be submitted jointly.
V. Other Important Information


If you have any queries in relation to the above, please contact Luis Schwarz, Senior Finance Officer at loa-afir@worldbank.org using the above reference.

Yours sincerely,

S. Kushnir
Acting Country Director for Ghana
Africa Region

Attachments:
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
✓2. Form for Authorized Signatures
✓4. Form of “Statement of Expenditure”
✓5. Form of Summary Sheet for Payments Against Contracts Subject to the World Bank’s Prior Review
✓6. Form of Designated Account Activity Statement
Form of Authorized Signatory Letter
Ministry of Finance and Economic Planning
Accra
Republic of Ghana

[DATE]

The World Bank Dr. Isfort Road 69
North Ridge Residential Area
Accra, Ghana

Dear Mr. Diwan

Re: Grant No. TF011457
(Netherlands Grant for Co-financing of Urban Water Project)

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), and the Republic of Ghana ("Recipient") for the above-referenced project, dated ____________, providing the above-listed Grant. For the purposes of Section 3.04 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.

For the purpose of delivering the Application to the World Bank, [each] [any two/three] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver applications for withdrawal, and evidence in support thereof, including by electronic means, on the terms and conditions specified by the World Bank (including the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications for Withdrawal and Supporting Documentation which have been provided by the Recipient to such person(s)).

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

Yours truly,

/ signed /

[Position]

[Name], [position] Specimen Signature: ____________________________

[Name], [position] Specimen Signature: ____________________________

[Name], [position] Specimen Signature: ____________________________

[Name], [position] Specimen Signature: ____________________________

Yours truly,
Terms and Conditions of Use of Secure Identification Devices
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

January 20, 2010

The World Bank (Bank)\(^1\) will provide secure identification devices (Tokens) to permit the Borrower\(^2\) 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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\(^1\) "Bank" includes IBRD and IDA.
\(^2\) "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
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.
Attachment 4

**STATEMENT OF EXPENDITURE**

Payments made during the period from __________ to __________

For expenditures against the contracts **not subject to the Bank Prior Review**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category Name &amp; No. (***)</th>
<th>Currency and Total Amount of Contract</th>
<th>Name of Contractor / Payee</th>
<th>Currency and Total Amount of Invoice</th>
<th>Amount financed by Other Sources, if any</th>
<th>Amount covered by this Application (5-6)</th>
<th>Eligible % from Schedule 1 of Grant Agreement</th>
<th>Amount Eligible for Financing (7 x 8)</th>
<th>US$ equivalent Amount Paid from Designated Account</th>
<th>Remarks</th>
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**TOTALS**

Supporting documents for this SOE retained at _______________________________(insert location)

(*) A separate SOE form should be used for retroactive financing.

(**) Items should be grouped by category; or alternatively, a separate SOE form may be used for each category
## Summary Sheet of Payments Against Contracts Subject to the World Bank's Prior Review

**SUMMARY SHEET** for Payments made during the period from [ ] to [ ].

For expenditures against the contracts subject to the Bank Prior Review

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No. &amp; Description (**)</th>
<th>Currency and Total Amount of Contract</th>
<th>Name of Contractor</th>
<th>Ref. No. of Contract</th>
<th>Date of NOL from World Bank</th>
<th>Invoice No. &amp; date</th>
<th>Currency and Total Amount of Invoice Covered by Application (Net of Retention)</th>
<th>Eligible % from Schedule 1 of Financing Agreement</th>
<th>Amount Eligible for Financing (8 x 9)</th>
<th>Currency and Amount Paid from Designated Account (if Applicable)</th>
<th>Exchange Rate (Col. 11 divided by Col. 10)</th>
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**Remarks:**

**Authorized Signatory**

**Supporting documents for this Application retained at** ____________________________

(Insert location)

* A separate form should be used for retroactive financing

** Items should be grouped by category; or alternatively, a separate form may be used for each category
Grant No.:  
Bank and Account No.:  

Part I  
1. Cumulative advances to end of current reporting period  
2. Cumulative expenditures to end of last reporting period  
3. Outstanding advances to be accounted (1-2)  

Part II  
4. Opening DA balance at beginning of reporting period (per Bank statement attached, as of ......)  
5. Add/Subtract: Cumulative adjustments, including interest earned and recoveries by WB, (if any)  
6. Advances received from the World Bank during current reporting period  
7. Closing DA balance at end of current reporting period (per Bank statement attached, as of ......)  
8. Outstanding amount of advances to be accounted for (4+5+6-7)  

9. Total Expenditures reported for current reporting period, including this Application  
   
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<tr>
<th>Applic No.</th>
<th>Amount</th>
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</table>
   Total (9)  

10. Difference (if any) 9-8  

Remarks  

Approved by: