March 8, 2012

Dr. Ngozi Okonjo-Iweala
Coordinating Minister of the Economy and
Minister of Finance
Federal Ministry of Finance
Finance Building
Central Business Area
Abuja

Dear Honorable Minister:

Re: Nigeria: (Project Preparation Advance No. Q808) Advance Agreement for
Preparation of Nigeria: Proposed Nigeria State Health Investment Project
(NSHIP)-Additional Instructions: Disbursement

I refer to the PPA Agreement ("Agreement") between the Republic of Nigeria
("Recipient"); and the International Development Association ("World Bank"), for
the preparation of the above referenced Project, dated March 8, 2012. This letter
("Disbursement Letter") provides additional instructions regarding the withdrawal of
PPA No. Q808-NG ("PPA"). This 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 PPA 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 3). The following Disbursement Methods may be
used under the PPA:

- Reimbursement
- Advances
- Direct Payment
- Special Commitments
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is the Refinancing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.

II. Withdrawal of PPA 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  
Nigeria Country Office  
102, Yakubu Gowon Crescent  
Asokoro, Abuja  
Federal Republic of Nigeria

Attention: Financial Management & Disbursement Unit

(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://clientccnnection.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.

(vi) **Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications for Direct Payments and Special Commitments is US$100,000.

(vi) **Advances (sections 5 and 6).**

- **Type of Designated Accounts (subsection 5.3):**
  - Designated Account A: FMOH - Segregated
  - Designated Account B: NPHCDA - Segregated
- **Currency of Designated Accounts (subsection 5.4):** US Dollars
- **Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):** A commercial bank acceptable to the World Bank
- **Ceiling (subsection 6.1):**
  - Designated Account A FMOH: US$ 100,000
  - Designated Account B NPHCDA: US$ 200,000

**III. Reporting on Use of PPA Proceeds**

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

- **For requests for Reimbursement & for reporting eligible expenditures paid from the Designated Accounts:**
  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 4).
  - 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 for equipments and materials, US$100,000 for goods, US$ 100,000 for consulting services from firms, and US$50,000 for individual consultants and expenses on training and workshops.
  - Statement of Expenditure for all other expenditure (Attachment 3).

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and acceptance of contracted goods or service.
(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Monthly

**IV. Other Important Information**


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

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

Yours sincerely,

Marie Francoise Marie-Nelly  
Country Director for Nigeria  
Africa Region.

Attachments:

2. Form for Authorized Signatures  
3. Terms and Conditions for the Use of Security Identification Devices - Tokens  
4. Form of Insert Statement of Expenditures  
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review  

Luis M. Schwarz, Senior Finance Officer