July 30, 2015

Mrs. Anastasia Nwaobia
Permanent Secretary
Federal Ministry of Finance
Finance Building
Central Business Area
Abuja

Dear Mrs. Nwaobia,

Re: Nigeria: IDA Credit No. 5094-NG, and HRITF Grant No. TF013432
Nigeria State Health Investment Project (NSHIP)
First Revision of the Disbursement Letter dated April 16, 2013
Additional Instructions: Disbursement

I refer to the IDA Financing Agreement and the HRITF Grant Agreement (collectively “Agreements”) between the Federal Republic of Nigeria (“Recipient”) and the International Development Association (“Association”), dated April 16, 2013 for the above-referenced project. The Agreements provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Credit 5094-NG, and HRITF Grant TF013432 (collectively “Financing”). This letter (Revision of Disbursement Letter”) hereby establishes the provisions to disburse Conditional Cash Transfers under Part 1C of the Project and replaces the earlier Disbursement Letter in its entirety and constitutes the revised additional instructions for withdrawal of proceeds of Financing.

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 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 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 Association.

II. Withdrawal of Grant Proceeds
(i) Authorized Signatures (subsection 3.1).
A 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
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 - 3.4). 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
13th Floor Delta Center
Menengai Road
Upper Hill
P.O. Box 30557-00100
Nairobi Kenya
Tel +254 20 936 000
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 effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (ii) 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 2330, 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 Tokens to Process Applications. By designating officials to accept 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 SIDC”) 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 200,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Accounts (subsection 5.3):**
  
  1. **Designated Account DD:** Segregated for:
     - Part 1A reflected in Categories 1 (a) (PBF, DFF, and LGA PHC components
     - Part 2A reflected in Category 3 (a) (Technical Assistance)
     - Part 1C reflected in Category 5 (a) (Conditional Cash Transfers)

     Managed by the Ondo State PFMU for the RBF Technical Support Unit at the SPHCDA

  2. **Designated Account EE:** Segregated for:
     - Part 1A reflected in Categories of Expenditures 1 (b) (PBF, DFF, and LGA PHC components
     - Part 2A reflected in Category 3 (b) (Technical Assistance)
     - Part 1C reflected in Category 5 (b) (Conditional Cash Transfers)

     Managed by the Adamawa State PFMU for the RBF Technical Support Unit at the SPHCDA

  3. **Designated Account FF:** Segregated for:
     - Part 1A reflected in Categories of Expenditures 1 (c) (PBF, DFF, and LGA PHC components
     - Part 2A reflected in Category 3 (c) (Technical Assistance)
     - Part 1C reflected in Category 5 (c) (Conditional Cash Transfers)

     Managed by the Nasarawa State PFMU for the RBF Technical Support Unit at the SPHCDA

  4. **Designated Account GG:** Segregated, for Part 2B reflected in Category 4a

     Managed by the FPFMD Support Unit for NPHCDA

  5. **Designated Account HH:** Segregated, for Part 2C reflected in Category 4b

     Managed by the FPFMD Support Unit for FMOH

- **Currency of Designated Accounts (subsection 5.4):** US Dollars.

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):**

  Designated Account DD -- Fidelity Bank PLC
  Designated Account EE -- Zenith Bank PLC
  Designated Account FF -- Fidelity Bank PLC
  Designated Account GG -- First Bank of Nigeria LTD
Designated Account HH - United Bank for Africa PLC

- Ceilings (subsection 6.1):

For Designated Accounts A and E a fix ceiling is determined as follows:

- Designated Account DD: USD 10,000,000
- Designated Account EE: USD 10,000,000
- Designated Account FF: USD 10,000,000
- Designated Account GG: USD 2,000,000
- Designated Account HH: USD 1,500,000

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:

- Designated Accounts A to E - For requests for reimbursement, and reporting eligible expenditures paid from the Designated Account:
  
  - Statement showing the payments made to PBF and DFF facilities, and LGA PHC Departments by SPHCDCA through SPFMU in the form attached (Attachment 5)
  - Statement of certification from the SPHCDCA confirming the attainment of the specific indicators or results as contained in the Financing Agreement.
  - List of payments against contracts that are subject to the Association’s prior review in the form attached (Attachment 5); and

Payment to the States and LGAs - For request for reimbursements to States and LGAs for meeting DLIs on the basis of Eligible Expenditures

- For States DLIs: Financial statements from the States for EEPs (i.e. salaries) as contained in the State’s financial statements for the preceding year as certified by the State Accountant General and the DLI certification. The EEP expenditures previously paid by the respective State may be reimbursed in USD up to a certain amount and conditioned upon meeting the DLI should be indicated by the respective State.
- For LGA DLIs: Financial statements from the LGAs for EEPs (i.e. salaries) consolidated by the State for the preceding year as certified by the State Accountant General and the DLI certification. The EEP expenditures previously paid by the respective LGA may be reimbursed in USD up to a certain amount and conditioned upon meeting the DLI should be indicated by the respective State.

* 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.

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

Designated Accounts DD to HH - Quarterly

(iii) Other Supporting Documentation Instructions:
• Copies of the bank statements of the Designated Accounts and a reconciliation statement for these accounts should be submitted with each application for withdrawal, in form attached (Attachment 8).
• Copies of the independent expert verification certification of the Delivery of the Packages of Health Services satisfactory to the Association

IV. Withdrawal Conditions and Other Disbursement Instructions
• Please refer to the Withdrawal Conditions in the Financing Agreement.

V. Other Important Information


If you have any queries in relation to the above, please contact us at loa-afr@worldbank.org using the above reference.

Yours sincerely,

Luis Schwarz
Senior Finance Officer
Loan Operations

Attachments:
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Form of Summary Sheet for Payments Against Contracts Subject to the Association’s Prior Review
5. Form of Interim Un-audited Financial Reports - IFRs
6. Form of “Customized Statements of Expenditures”
7. Form of Designated Account Activity Statement

Luis Schwarz

Cleared by: Nikolai Soubbotin, LEGAM