



TF010625

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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March 22, 2013

H.E. Iamine Doghri
Minister of Development and International Cooperation
Ministry of Development and International Cooperation
98, Avenue Mohamed V
1002 Tunis Belvédère - Tunisie

**Re: Republic of Tunisia: JSDF Emergency Grant to Support Young Rural Tunisians Affected by
Multiple Shocks Project – Grant No. TF010625
Additional Instructions: Revised Disbursement Letter**

Excellency:

I refer to the Letter Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”), acting as administrator of grant funds provided by various donors under the State-and-Peace-building Fund, and the Republic of Tunisia (“Recipient”) for the above-referenced project, dated April 20, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF010625 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter replaces the letter dated April 20, 2012.

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

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

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Withdrawal Condition(s) in the Grant 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 submit Applications:

The World Bank
1818 H Street, N.W.
Washington, DC 20433
United States of America
Attention: Simon M. Gray, Country Director

(ii) Applications (subsections 3.2). Please provide completed applications for withdrawal, together with supporting documents, through the World Bank's Client Connection, web-based portal, following the instructions for electronic delivery. In the case the recipient does not have internet access, the World Bank may permit the delivery of applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

The World Bank
Radnicka cesta 80/IX
10000 Zagreb, Croatia
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) 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 and Direct Payments is USD 100,000.

(vi) Advances (sections 5 and 6):

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):**
Central Bank of Tunisia
- **Ceiling (subsection 6.1)** USD 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:

- **For requests for Reimbursement:**
 - Statement of Expenditure in the form attached (Attachment 4);
 - Statement of Expenditure in the form attached (Attachment 7) for small Grants, expenditures Categories 5 and 6;
 - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued at USD 200,000 or more;
 - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5).
- **For reporting eligible expenditures paid from the Designated Account:**
 - Statement of Expenditure in the form attached (Attachment 4);
 - Statement of Expenditure in the form attached (Attachment 7) for) for small Grants, expenditures Categories 5 and 6;
 - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued at USD 200,000 or more;
 - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5); and,
 - A reconciliation of the Designated Account, in the form attached (Attachment 6), with a copy of the bank statement.
- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):
Quarterly or more often if required.

IV. Other Disbursement Instructions

Special disbursement arrangements have been made for Categories 5 and 6 expenditures (Small Grants). Disbursements under Categories 5 and 6 will include the presentation of a customized Statement of Expenditure (SOE), attachment 7).

Sub-Account

- (i) An advance of US\$ 200,000. will be made from the Designated Account that is managed by Banque Centrale de Tunisie (BCT) to a sub-account "Compte Courant Postal - CCP" that will be opened for Observatoire National de la Jeunesse (ONJ). This will ensure that funds are available in a timely manner to ONJ, the designated Implementing Agency. The advance to the sub-account will be reported to BCT on a monthly basis, before additional transfers are made. The advance to the sub-account will be fully accounted prior to the Closing Date;
- (ii) The advance to the DA will be replenished by BCT after the ONJ provides full supporting documentation for all utilized funds from the advance. The ONJ will take charge of the full payment process to beneficiaries who meet the eligibility criteria as stated in the Project's Operational Manuel. BCT will execute the replenishment without extensive reviews.
- (iii) The Recipient is responsible for bearing all risks associated with foreign exchange fluctuations when making transfers from the Designated Account which is denominated in US Dollars to the sub-account at CCP denominated in Tunisian Dinars. At the end of the Project, any unused balances in the sub-account should be deposited to the Designated Account, including any balance in Tunisian Dinars which should be converted to US Dollars.

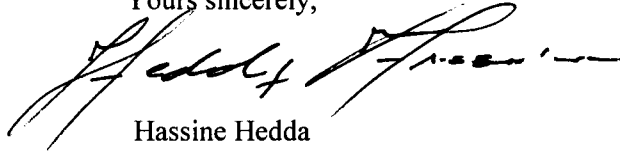
V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (<https://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. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be affected. 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-TF by sending an email to loa-tf@worldbank.org and using the trust fund number as a reference.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Hassine Hedda". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Hassine Hedda
Finance Officer

Controller's Vice Presidency - Loan Operations