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CR - 4567 - ET

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

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April 8, 2013

Minister of Finance and Economic Development
Ministry of Finance and Economic Planning
Addis Ababa
Federal Democratic Republic of Ethiopia

Excellency:

Re: IDA Financing 4567-ET – (Eastern Africa Agricultural Productivity Project)
Additional Instructions: Disbursement – First Restatement

I refer to the Financing Agreement between the International Development Association (the "Association") and the Federal Republic of Ethiopia (the "Recipient") providing financing for the above-referenced project, dated September 16, 2009 (the "Financing Agreement"). The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of Credit 4567-ET ("Credit"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This letter is a First Restatement of the Disbursement Letter dated September 16, 2009 for the above referenced project, restating Section II.(iv) bullet 4 to increase the Ceiling of the Designated Accounts as follows:

Designated Account A MORAD: USD3,000,000
Designated Account B EIAR: USD3,000,000.

As a result, the Minimum Value of Applications in Section II. (iii) of the Letter has been restated as USD 400,000. The Letter has been updated to reflect the new World Bank address in Nairobi where all withdrawal applications are to be sent. All other provisions of the Disbursement Letter dated September 16, 2009, except as amended, shall remain in full force and effect.

The attached *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the instructions regarding withdrawal of the proceeds of the Credit. The manner in which the provisions in the Disbursement Guidelines apply to the Credit 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.

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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 4 months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Association.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1).
An authorized signatory 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
Africa Avenue
Bole Road
Addis Ababa, Ethiopia
Attention: Country Director

(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
Loan Department,
Kenya Re Towers, 10th Floor,
Upper Hill, off Ragati Road,
Nairobi, Kenya
Contact Telephone number: +254 20 2983 000.***(iv)***

(iii) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is USD 400,000.

(iv) Advances (sections 5 and 6).

- ***Type of Designated Accounts (subsection 5.3):***
  Designated Account A MOARD: Segregated
  Designated Account B EIAR: Segregated

- ***Currency of Designated Accounts (subsection 5.4): US Dollars***
- ***Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):*** National Bank of Ethiopia.
- ***Ceiling (subsection 6.1):*** **USD3,000,000 each.**

III. Reporting on Use of Financing Proceeds

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

- ***For requests for Reimbursement:***
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts of (a) civil works valued at US$200,000 or more; (b) goods valued at US$200,000 or more; (c) services of consulting firms valued at US$100,000 or more; and (d) services of individual consultants valued at USD500,000 or more;
  - Statement of Expenditure in the form attached (Attachment 3) for all other expenditures / contracts]; and
  - List of payments against contracts that are subject to the Association's prior review, in the form attached (Attachment 4).

- ***For reporting eligible expenditures paid from the Designated Accounts:***
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts of (a) civil works valued at US$200,000 or more; (b) goods valued at US$200,000 or more; (c) services of consulting firms valued at US$100,000 or more; and (d) services of individual consultants valued at USD500,000 or more;
  - Statement of Expenditure in the form attached (Attachment 3) for all other expenditures / contracts]; and
  - List of payments against contracts that are subject to the Association's prior review, in the form attached (Attachment 4).

- ***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): monthly

([ii]) Other Supporting Documentation Instructions. Bank Reconciliation statement and commercial bank statements with each replenishment application into the Designated Account.

IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Association'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 Association recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, 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 effected. For more information about the website and registration arrangements, please contact the Association by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Jose Janeiro, Senior Finance Officer at JJaneiro@worldbank.org using the above reference.

Yours sincerely,

Jose C, Janeiro
Senior Finance Officer
Loan Department

Attachments: Please note that all attachments as per the original disbursement letter dated September 16, 2009 remain valid.

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Cleared with and cc: Zoe Kolovou – LEGAM
Asaye Legesse – AFTA3 – Task Team Leader