June 4, 2012

Mr. K Suresh Kumar
General Manager PSG-STEP
PSG College of Technology
Coimbatore - 641 004, Tamil Nadu
India

Re: infoDev Grant No. TF#012146
Co-Incubation Pilot Project
Additional Instructions: Disbursement

Dear Sir:

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided under the Information for Development ("infoDev") Multi-Donor Trust Fund, and PSG College of Technology (PSG-STEP ) ("Recipient") for the above-referenced project ("Project"), dated April 23rd, 2012. The Agreement provides that the World Bank may specify by notice to the Recipient additional instructions regarding the withdrawal of the grant proceeds for Grant TF#012146 ("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 and the Agreement, 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: Advance.

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Grant Agreement. Any changes to this date will be specified by notice to the Recipient from the World Bank.
II. Withdrawal of Grant Proceeds

(i) **Authorized Signatures (subsection 3.1).** The official authorized to sign Applications is the official specified in section 5.01 of the Grant Agreement and whose countersignature appears on the Agreement. The countersignature fulfills the requirement for a specimen signature.

(ii) **Applications ( subsections 3.2 - 3.3).** Please provide completed and signed Applications, together with supporting documents, to the address indicated below:

The World Bank  
1818 H Street, NW  
Washington, DC 20433  
United States of America  

Attention: Ms. Anushka Thewarapperuma

infoDev  
MSN F5K-508

(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 [2]; 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) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** United States Dollars
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Central Bank of India
- **Ceiling (subsection 6.1):** US$70’000.

III. Reporting on Use of Grant Proceeds

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

- **For Applications for Advances (subsection 3.3) and for Reporting on the Use of Advances (subsection 4.4):**
  - Applications for advances should be accompanied by the documents specified in Attachment 3, including Interim Financial Reports in the format provided in Attachment 4.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** The periodicity specified in Attachment 2.

IV. Other Important Information


If you have any queries in relation to the above, please contact Anushka Thewarapperuma at athewarapperuma@worldbank.org using the above reference.

Yours sincerely,

Josef S. Trommer
Acting infoDev Manager
Attachments

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006

2. 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

3. Schedule of Advance Payments

4. Form of Interim Financial Report

Cleared with and cc: Sau Ngan Wong, LEGPS; LOA-TF; Ellen Olafsen, Task Team Leader;

Cc with copies: Douglas Graham, OPCFM; Vera Lapshina, Budget Officer.
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.

\(^1\) "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.
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 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.
**Schedule of Advance Payments**

The Recipient’s requests for withdrawal of Grant proceeds shall be made in accordance with the schedule set forth below, subject to the World Bank’s receipt of the relevant Application and Supporting Documentation, satisfactory to the World Bank. The Supporting Documentation for all Advances excepting the first Advance, shall include a Project Report and Interim Financial Report, and copies of any corresponding Deliverables, that cover the activities, results and deliverables financed by the preceding Advance.

<table>
<thead>
<tr>
<th>Indicative Timing and Supporting Documents for Application</th>
<th>Disbursement Amount</th>
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<tbody>
<tr>
<td><strong>First Advance</strong></td>
<td>US$56’000</td>
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<tr>
<td>- Upon receipt by the Bank of the countersigned Agreement, and Application for the first advance</td>
<td></td>
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<tr>
<td>- Upon receipt and approval by the Bank of the updated itemized budget and corresponding procurement plan</td>
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<tr>
<td>- Upon receipt and approval by the Bank of the detailed workplan and timeline for delivery of the deliverables supported by the current grant agreement.</td>
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<tr>
<td><strong>Second Advance</strong></td>
<td>US$70’000</td>
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<td>After the World Bank’s receipt and approval of the Recipient’s:</td>
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<tr>
<td>- Project Report in the form of an updated Project Scorecard;</td>
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<td>- Interim Financial Report and bank statements that covers the expenditures financed by the first advance;</td>
<td></td>
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<tr>
<td>- Application for the second advance;</td>
<td></td>
</tr>
<tr>
<td><strong>Third Advance</strong></td>
<td>US$24’000</td>
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<tr>
<td>After the World Bank’s receipt and approval of the Recipient’s:</td>
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<tr>
<td>- Project Report in the form of an updated Project Scorecard including the final co-incubation pilot outcome report;</td>
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<td>- Final and Audited Financial Report and bank statements that covers the expenditures financed by the second advance;</td>
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<tr>
<td>- Application for the final advance;</td>
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<tr>
<td>Indicative Timing and Supporting Documents for Application</td>
<td>Disbursement Amount</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
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| • Report on the lessons learnt from the co-incubation pilot experience;  
  All the deliverables (listed in the grant agreement). |                     |