

H 542 - RY

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

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March 25 , 2013

H.E. Dr. Mohammed Saeed Al-Saadi
Minister of Planning and International Cooperation
Ministry of Planning and International Cooperation
P. O. Box 175
Sana'a, Republic of Yemen

Re: Republic of Yemen: Schistosomiasis Control Project (Grant No H542-RY)

Additional Instructions: Revised Disbursement Letter

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“World Bank” or “Association”), and the Republic of Yemen (the “Recipient”) for the above-referenced project, dated January 6, 2010. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Financing Grant No. H542-RY (“Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter replaces the letter dated January 6, 2010.

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
- 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).

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
Sana'a Country Office
P.O.Box 18152
Sana'a, Republic of Yemen
Attention: Hartwig Schafer, 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:

Disbursement Management Group
CTRDM-Regional Center Zagreb
The World Bank
Radnicka 80/9, 10 000 Zagreb, Croatia
Attention: Sergo Lomtadze – Senior Finance Officer
Tel: + 385 1 235 7281
Fax: + 385 1 235 7233

(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 (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices ("Tokens") 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 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 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 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 will be the equivalent of 20% of the Advance amount.

(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 Accounts Will Be Opened (subsection 5.5):* Central Bank of Yemen

* *Ceiling (subsection 6.1):* USD 4,000,000

**Transfer to other Accounts:* Authorized for payment of eligible expenditures related to costs of drug distribution

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 and for reporting eligible expenditures paid from the Designated Account:**
 - Statement of Expenditure in the form attached (Annex 4) for all expenditures related to contracts for goods, training, workshops and PAU incremental operating costs services valued at less than USD 20,000;
 - Statement of Expenditures (Annex 7) for treatment of NDTs - Category 7 until and unless the Association has received requests in form and substance satisfactory to the Association, verified by the Independent technical Audit.

- Certification by the ITIFA and/or individual financial auditors for costs related to campaigns (Category 4);
- List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5)
- **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.

IV. Other Important Disbursement Instructions

- For the new proposed Category (Treatment of NTDs), the PAU will transfer funds from the DA to a separate sub-account to be used as an advance to pay for the costs associated with the treatment of NTDs
- 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 for the purpose of NTDs financing. At the end of the Project, any unused balances in the sub-account should be deposited to the Designated Account, including any balance in Yemen Rials which should be converted to US Dollars
- For drugs purchased through the World Health Organization (WHO), the Association will normally effect an advance, as a Direct Payment, to the UN agency, based on the terms of the contract between the WHO and the Recipient. Payment may also be made through the Designated Account. Prior to the Association closing account the Grant account, the Recipient must provide records (copy of WHO's invoices, along with any other supporting documentation evidencing use of the advance) to the Association, Any advance made to WHO for which records cannot be provided substantiating use for eligible expenditures must be refunded to the Association.

V. Other Important Information

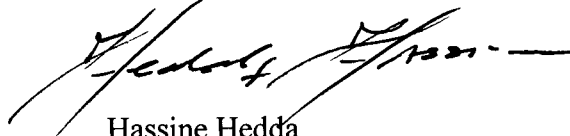
For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Association's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

From the Client Connection 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.

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 Hassine Hedda, Finance Officer at hhedda@worldbank.org using the above reference.

Yours Sincerely



Hassine Hedda
Finance Officer

Controller's Vice Presidency – Loan fiduciary and Controls Division
Loan Department

Attachments

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
3. *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated January 20, 2010
4. Statement Of Expenditures (SOEs)
5. Form of "Payments against contracts subject to the World Bank's prior review"
6. Designated Account Reconciliation Statement
7. Template for Treatment of NTDs SOE

Letter drafted by: Hassine Hedda, CTRLA

Ministry of Planning and International Cooperation

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Dear [Country Director]:

Re: Republic of Yemen: Schistosomiasis Control Project (Grant No H542-RY)

I refer to the Financing Agreement (“Agreement”) between the [International Development Association] (“World Bank”), and the Republic of Yemen (the “Recipient”), dated January 6, 2010, providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ¹[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Financing.

For the purpose of delivering Applications to the Association, ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

⁵[This confirms that the Recipient is authorizing such persons to accept Tokens and to deliver the Applications and supporting documents to the Association by electronic means. In

¹ Instruction to the Recipient: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Association.*

² Instruction to the Recipient: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Association.*

³ Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Association.*

⁴ Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Association.*

⁵ Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Tokens and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the Association.*

full recognition that the Association shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in 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"), the Recipient represents and warrants to the Association that it will deliver to each such person a copy of the Terms and Conditions of Use of Tokens and will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

**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)⁶ will provide secure identification devices (Tokens) to permit the Borrower⁷ 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.

⁶ "Bank" includes IBRD and IDA.

⁷ "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

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.
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.

Attachment 4

Statement of Expenditures (SOE)

Expenditures made during the period from _____ to _____

Date: _____

Application No.: _____

Expenditures against the contracts not subject to the Association's Prior Review

Credit: _____

SOE No.: _____

2	3	4	5	6	7	8	9
Category No. (**)	Currency and Total Amount of Contract	Currency and Total Amount of Invoice Covered by Application (Net of Retention)	Eligible % from Schedule 2 Sec. IV - A2 of Financing Agreement	Amount Eligible for Financing (4 x 5)	Currency and Amount Paid from Designated Account (if Applicable)	Exchange Rate (Col. 7 divided by Col. 6)	Remarks
TOTALS							

Supporting documents for this SOE retained at _____
(location)

- A separate SOE form should be used for retroactive financing
- Items should be grouped by category; or alternatively, a separate SOE form may be used for each category

**Payments Made during Reporting Period
Against Contracts Subject to the Bank's Prior Review**

Contract Number	Supplier	Contract Date	Contract Amount	Date of WB's Non Objection to Contract	Amount Paid to Supplier during Period	WB's Share of Amt Paid to Supplier during Period

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

CREDIT NUMBER _____
 ACCOUNT NUMBER _____ WITH (BANK) _____

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) \$ _____

2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - \$ _____

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = \$ _____

=====

4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE _____ \$ _____

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____ + \$ _____ *

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: _____ + \$ _____ *

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

<u>APPLICATION NO.</u>	<u>AMOUNT *</u>
_____	_____
SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + \$ _____	

8. MINUS: INTEREST EARNED - \$ _____ *

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = \$ _____

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9: _____

11. DATE: _____ SIGNATURE: _____

TITLE: _____

* ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENT

ANNEX 7:

Template for Treatment of NTDs SOE

**THE WORLD BANK
APPLICATION FOR WITHDRAWAL
STATEMENT OF EXPENSES (SOE)**

Payments made during the reporting period from to

NO.	Category of Financing	% of Financing	Governorate	Period	Area	Treatment Type	Number of treatments during the period

Notes : (1) Supporting documents for items listed above are retained at the Ministry of Health and available for World Bank inspection and audit
(2) We confirm that above payments are eligible, do not relate to any debarred Firms and do not exceed respective Contract amounts.