His Excellency Hazrat Omar Zakhilwal  
Minister of Finance  
Ministry of Finance  
Kabul, Islamic Republic of Afghanistan  

Excellency:

Re: IDA Financing No. H834 -AF  
(Second Skills Development Project)  
Additional Instructions: Disbursement

I refer to the Financing Agreement between the Islamic Republic of Afghanistan (the  
“Recipient”) and the International Development Association (the “Association”) for the above-referenced  
project, dated . The Agreement provides that the Association may issue additional  
instructions regarding the withdrawal of the proceeds of financing No. H834-AF (“Financing”). 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 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
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months  
after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by  
the Association.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the  
Financing Agreement.
II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1). Applications for this Financing will be signed by the official(s) authorized to sign Applications as indicated in your letter dated June 20, 2011. Whenever changes are necessary, 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
Country Office
Kabul, Afghanistan

Attention: Loan Department

(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
Country Office
Kabul, Afghanistan

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 (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 for reimbursement, direct payment and special commitment is US$200,000.

(vi) Advances (sections 5 and 6). For the reason set forth in subsection 5.2 of the Disbursement Guidelines, the advancing of financing proceeds into a designated account is not a Disbursement Method
currently available under this Financing. Please send Applications only in support of the Disbursement Methods listed in subsection I (i) of this letter.

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:**
  - Summary Sheet in the form attached (Attachment 4) with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts for i) civil works valued at US$ 500,000 or more per contract; ii) good valued at US$ 200,000 or more per contract; iii) consulting firm valued at US$100,000 or more per contract; and iv) individual consultants valued at US$50,000 or more per contract; and
  - Statement of Expenditure in the form attached (Attachment 5) for all other contracts or expenditures.

- **For requests for Direct Payment:** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices, consultant firm invoices, copy of bank guarantee (where required under the contract), individual consultant fee statement; For goods purchases, documents evidencing receipt of goods, etc.

IV. Other Important 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 Chau-Ching Shen, Senior Finance Officer at loasar@worldbank.org, using the above reference.

Yours sincerely,

Illangovan Patchamuthu
Acting Country Director for Afghanistan
South Asia Region
Attachments:

2. Form for Authorized Signatures
4. Form of Summary Sheet
5. Form of Statement of Expenditure

Cc:

Ministry of Education
Mohammad Jan Khan Watt,
Kabul, Islamic Republic of Afghanistan
farooq.wardak@bb.afghan-wireless.com

Deputy Ministry, Technical and Vocational Education Training
Deh-bori, Sarake Saraye Ghazine
Kabul, Islamic Republic of Afghanistan
asifnang@yahoo.com
Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
Kabul, Islamic Republic of Afghanistan

[DATE]

The World Bank
Country Office
Kabul, Afghanistan

Attention: [Country Director]

Dear [Country Director]:

Re: IDA Financing No. H834-AF (Second Skills Development Project)

I refer to the Financing Agreement (“Agreement”) between the Islamic Republic of Afghanistan (the “Recipient”) and the International Development Association (the “Association”), dated ______, providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any 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, each of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting individually, to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

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 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

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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.
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)\(^1\) 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.

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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.
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**Total Summary Sheet**: $...

**Total SoE Sheet**: $...

**Total General Sheet**: $...

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تاریخ:

 traceback: 1
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**Statement of Expenditure**

**Total Invoice Covered by this Application**

**Total Bank Charges Covered by this Application**

**Total Requested covered by this Application**