Public Disclosure Authorized

OFFICIAL DOCUMENTS

TF015607

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

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 473-1000
Cable Address: INTBAFRAD
Cable Address: INDEVAS

October 24, 2013

Hon. Lantoniana Rasoloelison
Minister of Finance and Budget
Ministry of Finance and Budget
BP 121, Antananarivo 101
Republic of Madagascar

Dear Honorable Minister:

Re: IDA Grant TF015607-MG (Emergency Support to Education for All Project)

Additional Instructions: Disbursement

I refer to the Agreement between the Republic of Madagascar ("Recipient") and the International Bank for Reconstruction and Development, (the "World Bank"), acting as Trustee of the Global Partnership for Education Fund ("GPEF"), for the above-referenced project ("the Agreement"), dated October 24, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF015607-MG ("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, 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
- Advances
- 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 Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Conditions reflected in Schedule 2, Section IV B 1.

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 sign Applications:

The World Bank,
Resident Mission
Antananarivo, Madagascar
Attention: Ms. Haleh Bridi, 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

(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 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 all Applications except for replenishment applications should be 20% of the advance in the Designated Account.

*(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)**:* BNI Madagascar
- ***Ceiling (subsection 6.1)**:* USD 8,000,000.

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 and for reporting eligible expenditures paid from the Designated Accounts**:*
    - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts requiring the Bank's prior review as well as all contracts exceeding USD 500,000 for works and goods, USD 100,000 for consulting firms and USD 50,000 for individual consultants.
    - Statement of Expenditure in the form attached (Attachment 4) for all expenditures; and
    - List of payments against contracts that are subject to the 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 and documentary evidence of delivery and the Recipient's acceptance of contracted goods or services.
- ***For requests for Special commitments:***

- Letter of credit
- Copy of the contract

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Accounts (subsection 6.3): Quarterly

(iii) Other Supporting Documentation Instructions

Copies of the bank statements of the Designated Account and a reconciliation statement for the Designated Account should be submitted with each Application for withdrawal for replenishment of the Designated Account.

IV. Other Important Information

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

From the Client Connection 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.

If you have any queries in relation to the above, please contact Hassine Hedda, Senior Finance Officer, at service account email address 'LOA-afr@worldbank.org' using the above reference.

Yours sincerely,

Halim Bridi
Country Director for Madagascar
Africa Region

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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013
4. Form of "Statement of Expenditure"
5. Form of Payments Against Contracts Subject to the World Bank's Prior Review
6. Designated Account Reconciliation Statement

Drafted by: Hedda (CTRLA)

Cleared with and cc: Bertaud (LEGAF)
Caillaud (AFTEE),

Bcc: Biyamugisha(AFTFM); de Marigny(CTRLA)

Attachment 2

Minister of Finance and Budget

[DATE]

The World Bank,
Resident Mission
Antananarivo, Madagascar

Attention: Ms. Haleh Bridi, Country Director

: IDA Grant TF 015607-MG (Emergency Support to Education for All Project)

Dear Ms. Bridi:

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "Association") and [*name of Recipient*] (the "Recipient"), dated October 24, 2013 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 Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

---

[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 Secure Identification Credentials 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.*

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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the Association that it 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]

Attachment 3

Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation

March 1, 2013

The World Bank (Bank)[6] will provide secure identification credentials (SIDC) to permit the Borrower[7] 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.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

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 SIDC 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 receipt of his/her SIDC. 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. Initialization of SIDC.

[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.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.

2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.

3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. ***Security***

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

4.3. The SIDC 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 SIDC User believes a third party has learned his/her PIN or has lost his/her Physical 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 SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. ***Reservation of Right to Disable SIDC***

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.

6. ***Care of Physical Tokens***

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical 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, Physical 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. Physical 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 Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. ***Replacement***

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.

Attachment 4

STATEMENT OF EXPENDITURES

1	2	3	4	5	6	7	8	9	10	11	12	13
Item No.	Category No. *	Name of Supplier, Contractor or Consultant	Brief Description of Goods, Works or Services	Total Amount of Contract (Include all currencies)	Currency of Expenditure	Total invoice amount covered by this application (net of retention)	Eligible % of Grant	Currency and eligible amount paid (7)x(8)	US$ Equivalent paid from Special Account**	Date of Payment	Exchange Rate**	Remarks or Invoice references, including no-objection telex date
				TOTALS					$			

Attachment 5

PAYMENTS MADE DURING REPORTING PERIOD AGAINST CONTRACTS SUBJECT TO THE WORLD BANK'S PRIOR REVIEW

Contract Number	Supplier	Contract Date	Contract Amount	Date of Bank's No Objection to contract	Amount Paid to Supplier during Period	Bank's Share of Amount Paid to Supplier during Period

Attachment 6

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

APPLICATION NO.	AMOUNT *
_____	_____

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