



CR - 5394-ZM  
TF016639

## The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Zambia World Bank Country Office Tel: (260-1) 252811  
INTERNATIONAL DEVELOPMENT ASSOCIATION Pyramid Plaza, Plot #746 Church Road Fax: (260-1) 254283  
P.O. Box 35410, Lusaka, ZAMBIA

February 11, 2015

Honorable Alexander B. Chikwanda,  
Minister of Finance  
Ministry of Finance  
Lusaka, Zambia

**Re: IDA Financing 5394-ZM and MDTF HRI GRANT NUMBER TF016639  
Health Services Improvement Project  
Additional Instructions: Disbursement**

Honorable Member:

I refer to the IDA Financing Agreement and the MDTF HRI Grant Agreement (collectively "Agreements") between the Republic of Zambia ("Recipient") for the above-referenced Project and the International Development Association ("World Bank") acting as administrator of the Multi Donor Trust Fund for the Health Results Innovation Grant (MDTF HRI) for the above-referenced project, of even date herewith. 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 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.

### **I. Disbursement Arrangements**

**(i) Disbursement Methods (section 2).** The following Disbursement Methods may be used under the Credit and the MDTF HRI Grant:

- Reimbursements
- Advances
- 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 Bank.

**(iii) Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in the Agreements.

## II. Withdrawal of Financing 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  
Pyramid Plaza Building, Plot 746 Church Road, 2nd Floor  
P.O. Box 35410  
Lusaka, Zambia

Attention: Kundhavi Kadiresan, Country Director for Zambia

**(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  
13th Floor Delta Center  
Menengai Road  
Upper Hill  
P.O. Box 30557-00100  
Nairobi Kenya  
Tel +254 20 2936 000  
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 credentials ("SIDC") 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 SIDC 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 SIDC to Process Applications.** By designating officials to use SIDC 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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC") provided in Attachment [3]; and (b) 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 advances method applications should be USD 100,000 equivalent.

(vi) **Advances (sections 5 and 6).**

Designated Account	Source of financing	Maintained by	Type	Currency	Ceiling	Categories associated
A	IDA	MOH	Segregated	USD	1,000,000	1, 2, 3 and 4
B	IDA	MCDMCH	Segregated	USD	1,000,000	
C	TF	MOH	Segregated	USD	1,000,000	1 and 2
D	TF	MCDMCH	Segregated	USD	1,000,000	

- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Bank of Zambia.

### 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 and for reporting eligible expenditures:**
  - List of payment against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 4)
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for goods against contracts valued at US\$100,000 equivalent or more; for consultant services against contracts valued at US\$100,000 equivalent or more for firms, and at US\$50,000 equivalent or more for individual consultants.
  - Statement of Expenditure in the form attached (Attachment 5) for all expenditures / contracts.
- **For requests for Direct Payments and Special Commitments:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) **Frequency of Reporting Eligible Expenditures (subsection 6.3):** Quarterly

(iii) **Other Supporting Documentation Instructions:** Reports should be required for bi-annual reimbursements for DLIs compliance (Attachment 6).

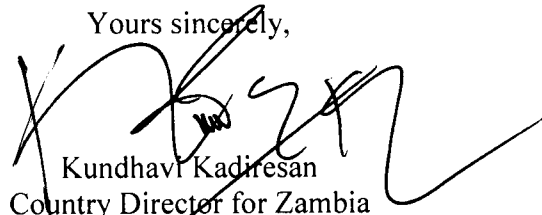
### IV. Other Important Information

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 Financing, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact Loan Department, at [wfaldafr@worldbank.org](mailto:wfaldafr@worldbank.org), using the above reference.

Yours sincerely,



Kundhavi Kadiresan  
Country Director for Zambia  
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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated January 20, 2010
4. Form of "SOEs"
5. Form of Payments Made during Reporting Period Against Contracts Subject to the Association's Prior Review
6. Form of DLIs report

Form of Authorized Signatory Letter  
[Letterhead]  
Ministry of Finance  
[Street address]

[DATE]

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

Attention: Mr. Kundhavi Kadiresan,

Re: IDA Financing 5394-ZM and MDTF GRANT NUMBER TF016639  
(Health Services Improvement Project)

I refer to the IDA Financing Agreement and HRTIF Grant Agreement (“Agreements”) between the Federal Republic of Nigeria (“Recipient”) and the International Development Association (“Association”), dated \_\_\_\_\_, providing the above Credit and Grant (collectively, “Financing”). For the purposes of Section 2.03 of the General Conditions, and Section 3.04 of the Standard Conditions respectively as defined in the Agreements, any <sup>1</sup>[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 the Financing.

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

<sup>5</sup>[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

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<sup>1</sup> Instruction to the recipient when sending this letter to the Association: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.

<sup>2</sup> 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.*

<sup>3</sup> 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.*

<sup>4</sup> 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.*

<sup>5</sup> 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.*

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)<sup>6</sup> will provide secure identification devices (Tokens) to permit the Borrower<sup>7</sup> 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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<sup>6</sup> "Bank" includes IBRD and IDA.

<sup>7</sup> "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](mailto:clientconnection@worldbank.org).



- 4.5. The Borrower shall immediately notify the Bank at [clientconnection@worldbank.org](mailto: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, deactivate a Token User's Account or both.

**Project Name:** \_\_\_\_\_ **Annex 4 - Disbursement Letter**  
**STATEMENT OF EXPENDITURE(SOE)**

Payments made during the period from \_\_\_\_\_ To \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Application No.: \_\_\_\_\_  
 Grant No.: \_\_\_\_\_  
 SOE Sheet No.: \_\_\_\_\_

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 or Services	Total Amount of Contract (Include all currencies)	Currency of Expenditure	Total invoice amount covered by this application (net of retention)	Eligible % of financing	Currency and eligible amount paid (7)(8)	US\$ Equivalent paid from Designated Account	Date of Payment	Exchange Rate **	Remarks
<b>TOTALS</b>												

Supporting documents for this SOE retained at: \_\_\_\_\_ \$

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

<b>Contract Number</b>	<b>Supplier</b>	<b>Contract Date</b>	<b>Contract Amount</b>	<b>Date of WB's Non Objection to Contract</b>	<b>Amount Paid to Supplier during Period</b>	<b>WB's Share of Amount Paid to Supplier during Period</b>

**Form of DLIs Report**

**Certification of EEPs in support of Achieved DLIs**

**Name of Ministry:** .....

**Certification of Eligible Expenditure Programs (EEPs) in support of Achieved DLIs**

This is to certify that the expenditures listed below have been extracted from the Ministry of ..... financial statements as at the year ended December 31, **20XX** in respect of the staff emoluments paid by the Ministry to Health workers.

	ZMK (millions)
Total Budgeted Salaries for Primary Health Workers	<u>XXXX</u>
Total Salaries for Primary Health Workers in financial statements (20XX)	<u>XXXX</u>

Prepared by:

Chief Accountant:

Name: .....

Signature: .....

Date: .....

**Certified by Auditor General**

Name: .....

Signature: .....

Date: .....