

OFFICIAL  
DOCUMENTS



July 01, 2020

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Minister of Economy and Finance  
Ministry of Economy and Finance  
Cotonou, Republic of Benin

**Republic of Benin: Credit Number 6663-BJ  
Agricultural Competitiveness and Export Diversification Project  
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Financing Agreement between the Republic of Benin (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time-to-time request withdrawals of Credit amounts from the Credit Accounts in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time-to-time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”) and may be revised from time-to-time.

**I. Disbursement Arrangements, Withdrawal of Credit Funds, and Reporting of Uses of Credit Funds.**

The *Disbursement Guidelines for Investment Project Financing* dated February 2017, (“Disbursement Guidelines”) are available in the Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of this Disbursement and Financial Reporting Letter, and the manner in which the provisions in the guidelines apply to the Loan is specified below.

**(i) Disbursement Arrangements**

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

**(ii) Electronic Delivery.** Section 11.01 (c) of the General Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Association’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (“SIDC”) and to deliver the Applications and supporting documents to the Association by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases

(including those where the Borrower encounters legal limitations), and which were previously agreed with the Association. 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, available in the Association's public website at <https://worldbank.org> and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

## **II. Financial Reports and Audits.**

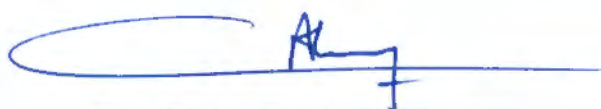
*(i) Financial Reports.* The Recipient must prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports ("IFR") for the Project covering the quarter.

*(ii) Audits.* Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Association not later than six (6) months after the end of such period.

## **III. Other Information.**

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association's website (<http://www.worldbank.org/>) and "Client Connection". The Association recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Credit, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Association by email at [Askloans@worldbank.org](mailto:Askloans@worldbank.org) using the above reference.

Yours sincerely,



Atou Seck  
Country Manager for the Republic of Benin  
Africa Region

### **Attachments**

1. Form of Statement of Expenditure (SOE)
2. Form of Customized Statement of Expenditures

**Schedule 1  
Disbursement Arrangements**

<b>Basic Information</b>					
<b>Credit Number</b>	6663-BJ	<b>Country</b>	Republic of Benin	<b>Closing Date</b>	Section III.B.2 of Schedule 2 to the Loan Agreement.
		<b>Borrower</b>	Republic of Benin		
		<b>Name of the Project</b>	Agricultural Competitiveness and Export Diversification Project	<b>Disbursement Deadline Date</b> <i>Subsection 3.7 **</i>	Four months after the closing date.
<b>Disbursement Methods and Supporting Documentation</b>					
<b>Disbursement Methods</b> <i>Section 2 (**)</i>	<b>Methods</b>	<b>Supporting Documentation</b> <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	Yes	Copy of records			
Reimbursement	Yes	<ul style="list-style-type: none"> <li>Statement of Expenditures in the format provided in Attachment 1 of this Letter for expenditures under categories 1 &amp; 2 of the withdrawal schedule of the Financing Agreement</li> <li>Customized Statement of Expenditures in the format provided in Attachment 2 of this Letter for expenditures under categories 3, 4 &amp; 5 of the withdrawal schedule of the Financing Agreement</li> </ul>			
Designated Account	Yes	<ul style="list-style-type: none"> <li>Statement of Expenditures in the format provided in Attachment 1 of this Letter for expenditures under categories 1 &amp; 2 of the withdrawal schedule of the Financing Agreement</li> <li>Customized Statement of Expenditures in the format provided in Attachment 2 of this Letter for expenditures under categories 3, 4 &amp; 5 of the withdrawal schedule of the Financing Agreement</li> </ul>			
Special Commitments	Yes	Copy of Letter of Credit			
<b>Designated Account (Sections 5 and 6 **)</b>					
<b>Type</b>	Segregated DA-A for Category 1, DA-B for Category 2 and 3, DA-C for Category 4 and DA-D for Category 5		<b>Ceiling</b>	Fixed for DA-A and DA-B Variable for DA-C and DA-D	
<b>Financial Institution – Name</b>	BCEAO		<b>Currency</b>	CFAF	
<b>Frequency of Reporting</b> <i>Subsection 6.3 (**)</i>	Monthly for DA-A and DA-B Quarterly for DA-C and DA-D		<b>Amount</b>	CFAF 1 billion for DA-A and CFAF 1 billion for DA-B Forecast for two (2) quarters as provided in the IFR for DA-C and DA-D	
<b>Minimum Value of Applications (subsection 3.5)</b>					
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is FCFA 100 million.					
<b>Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)</b>					
<i>(i) Authorized Signatures (subsection 3.1).</i> Applications for this Financing will be signed by the official(s) authorized to sign Applications for the Republic of Benin.					

(ii) **Applications (subsections 3.2 - 3.3).** All Withdrawal Applications and their supporting documentation shall be electronically submitted via the Association's web-based Portal "Client Connection".

**Additional Disbursement Instructions**

Funds from the Designated Account may be transferred to a Project Account opened in a commercial bank acceptable to the Bank to meet eligible expenditures, provided that transactions and balance in these accounts are included in all project financial reports.

**Risk Sharing Facility** under Parts 3.2(a) and (b) of the Project

(A) The Association will advance in installment to a designated bank account (the "Risk Sharing Facility Account") opened by FONAGA through APIEx.

(B) Expenditures under these Sub-Parts 3.2(a) and (b) will be recognized when payments are made to Participating Banks in case of default by Private Sector Operators under Loan Agreements between Participating Banks and private sector operators participating in the Subsidized Concession Model. Expenditures so recognized will be charged against advances made through withdrawal applications to be submitted by APIEx, based on relevant information provided by FONAGA.

(C) The frequency and format and content of the reporting package for purposes of reporting on the receipt and use of the Association's funds under these sub-Parts will be stipulated in the Risk Sharing Facility Framework Agreement and the Risk Sharing Facility Manual

**Commercial Guarantee Mechanism** under Part 3.2 (e) of the Project

(A) The Association will advance in installment to a designated bank account opened by APIEx for providing Commercial Guarantee to selected Guarantee Beneficiaries.

(B) Expenditures under this Sub-Parts 3.2(e) will be recognized when payments are made to Commercial Guarantee Beneficiaries in case the guarantee is called, or the performance value thresholds are obtained in accordance with the Guarantee Agreement. Expenditures so recognized will be charged against advances made through withdrawal applications to be submitted by APIEx

(C) The frequency and format and content of the reporting package for purposes of reporting on the receipt and use of the Association's funds under this sub-Part will be stipulated in the Project Implementation Manual

**Other**

Disbursements under Category 7 of Section III A of Schedule 2 of the Financing Agreement (Part 5 of the Project - Contingent Emergency Response Component (CERC)) will be subject to the conditions precedent to accessing the CERC funds, namely that the Recipient has provided, and the Bank has accepted, evidence of the occurrence of an eligible crisis or emergency and the Recipient has prepared and adopted/adhered to the CERC Operations Manual. Disbursements under this component will follow procedures described in the CERC Manual including supporting documentation. In order to provide necessary liquidity for fast response, the ceiling of the Designated Account could be increased up to 100% of the amount allocated to the CERC category.

Attachment 1 – Form of Statement of Expenditures

**IDA – International Development Association  
Statement of Expenditures**

Payment made during the period from  to

The following expenditures have been incurred during the retroactive financing period (please tick)

The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick)

Yes	No
Yes	No

Financier	
Loan/Credit/Grant #	
Application #	
Category #	
Page #	

**ONLY for the Designated Account**

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No	Supplier's Name	Brief Description of the Expenditure	Prior Review (Contract?) <i>(YES or NO)</i>	Contract # <i>(Client Connection # for Prior Review Contracts)</i>	Contract Currency and Amount <i>(Original + Amendment)</i>	Invoice Number	Date of Payment	Total Amount of Invoice Covered by Application <i>(Net of Retention)</i>	% Financed from the Bank	Eligible Amount <i>(Col 9 x 10)</i>	Exchange Rate	Date of Withdrawal from the Designated Account	Amount Withdrawn from the Designated Account <i>(Col 11/12)</i>
									0.00	0.00	TOTAL		0.00

Supporting documents for this SOE are retained at

(insert location)

A separate form should be used for each category

Attachment 2 – Form of Customized Statement of Expenditures

For Matching Grants, Partial Credit Guarantees and Commercial Guarantees.

Payments made during the period from \_\_\_\_\_ to \_\_\_\_\_

Loan No.: \_\_\_\_\_  
 Application No.: \_\_\_\_\_  
 SOE No.: \_\_\_\_\_

1	2	3	4	5	6	7	8	9	10
Item No	Name and Address of Beneficiary	Agreement No. & Date	Brief Description of Activities	Currency and Total Amount paid	Total Amount payment request covered by application <i>(Net of Retention)</i>	% Financed from the Bank	Payment request eligible for Financing	Date of Payment	Remarks
TOTALS									

Supporting documents for this SOE are retained at

\_\_\_\_\_ *(insert location)*