

OFFICIAL DOCUMENTS

The World Bank
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Qimiao Fan
Country Director for Bangladesh, Bhutan and Nepal

April 10, 2018

Secretary Kazi Shofiqul Azam
Economic Relations Division
Ministry of Finance
Government of the People's Republic of Bangladesh
Sher-e-Bangla Nagar
Dhaka, Bangladesh

Dear Secretary Azam:

**Re: IDA Financing 6177-BD
Enhancement and Strengthening of Power Transmission Network in Eastern Region Project
Additional Instructions: Disbursement and Financial Information Letter.**

I refer to the Financing Agreement between People's Republic of Bangladesh ("Recipient") and the International Development Association ("Association") for the above-referenced Project, dated April 10, 2018. The General Conditions, as defined in the Financing Agreement, provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Financing 6177-BD ("Financing"), and specify certain financial management reporting and audit requirements. This letter ("Disbursement and Financial Information Letter" or "DFIL"), as revised from time to time, constitutes such additional instructions.

The *Disbursement Guidelines for Investment Project Financing* dated February 2017, ("Disbursement Guidelines") are available in the Association'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 Financing is specified below.

I. Disbursement Arrangements, Withdrawal and Reporting of Financing Proceeds.

(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), instructions on supporting documentation.

(ii) Electronic Delivery. Refer to section 11.01 (c) of the General Conditions:

- The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association's web-based portal (<https://clientconnection.worldbank.org>) "Client Connection". This option may be effected if: (a) the Recipient has designated in writing, 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”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. 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. 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 through Power Grid Company of Bangladesh Limited (PGCB) shall prepare and furnish to the Association not later than forty-five (45) days after the end of calendar quarter, interim unaudited financial reports (IUFRR) for the Project covering the calendar quarter.

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

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s public website 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 Financing, and retrieve related policy, financial, and procurement information. 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 Mr.Satish Kumar Shivakumar, Finance Officer at satishkumar1@worldbank.org using the above reference.

Yours sincerely,



Qimiao Fan
Country Director
Bangladesh, Bhutan and Nepal

Attachments

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditures

Schedule 1: Disbursement Provisions

Basic Information					
Credit Number	IDA 6177-BD	Country	People's Republic of Bangladesh	Closing Date	Section III.B.1 of Schedule 2 to the Financing Agreement.
		Recipient	People's Republic of Bangladesh		
		Name of the Project	Enhancement and Strengthening of Power Transmission Network in Eastern Region Project	Disbursement Deadline Date <i>Subsection 3.7</i> **	Four months after the closing date.
Disbursement Methods and Supporting Documentation					
Disbursement Methods Section 2*	Methods Available	Supporting Documentation Subsections 4.3 and 4.4			
Direct Payment	Yes	Records evidencing eligible expenditures, e.g., copy of invoice			
Reimbursement	Yes	Statement of Expenditures (Attachment 2 of the DFIL)			
Special Commitments	Yes	Copy of Letter of Credit. Proforma Invoice if cited in the Letter of Credit			
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 10,000 equivalent.					
Authorized Signatures (<i>Subsection 3.1 and 3.2 **</i>) <i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</i> Withdrawal and Documentation Applications (<i>Subsection 3.3 and 3.4 **</i>)					
Authorized Signatories Letter:			Withdrawal and Documentation Applications:		
The World Bank Plot E32, Agargaon Sher-e Bangla Nagar G.P.O. Box 97 Dhaka 1207, Bangladesh Attention: Country Director			The World Bank No. 11, Taramani Main Road Taramani, Chennai – 600 113 India Attention: Team Lead, WFALA		

Additional Instructions

- (i) All payments for expenditures claimed under this Financing must be made using the banking system, except expenditures paid using the petty cash system following the Recipient's existing policy. The petty cash limit as per the Recipient's existing policy is BDT 100,000.
- (ii) Special Commitment withdrawal applications and Special Commitment payment requests are to exclude import and supplementary duties and value-added taxes at import stage and value-added taxes on contracts. These payments are to be paid from the Recipient's funds.

*Sections and subsections indicated relate to the Disbursement Guidelines for Investment Project Financing dated Financing 2017

Attachment 1 Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
Plot E32, Agargaon
Sher-e Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh
Attention: Country Director

Re: IDA Financing 6177-BD (Enhancement and Strengthening of Power Transmission Network in Eastern Region Project)

I refer to the Financing Agreement (“Agreement”) between the International Development Association (the “Association”) and [name of Recipient] (the “Recipient”), dated _____, 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 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.*

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]

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.*

Attachment 2 Statement of Expenditures

Payment made during the period from

to

Credit #
Application #
Category #
Page #

The following expenditures have been incurred during the retroactive financing period (please tick)
 The following expenditures have been incurred during before the closing date of the credit (please tick)

Yes	No
Yes	No

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No	Service provider / Supplier / Payee's Name	Brief Description of the expenditure	Prior Review Contract? (YES or NO)	Contract # <i>(Client Connection # for Prior Review contracts)</i>	Contract currency and amount (original + amendment)	Invoice number	Date of payment	Total amount of invoice covered by Application (net of retention)	Import and supplementary duties and value-added taxes (VAT) at import stage and VAT on contracts related to this claim (not to be claimed)	Total amount of invoice covered by Application (net of taxes as in column 10 and as in the Financing Agreement)(Column 9-10)	% Financed by the Bank	Expenditure Amount Eligible for Financing and paid through banking system (except petty cash payments)	Amount other than petty cash system and not paid using banking system (not to be claimed)
TOTAL													

Supporting documents for this SOE are retained at

Prepared by :

Authorized Representative:

*A separate form should be used for each category