

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
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Cable Address: INTBAFRAD
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Honorable Mr. Ibrahim Ameer
Minister of Finance
Ministry of Finance
Republic of Maldives
Amenee Magu 20379 Male'

Honorable Minister:

**Re: IDA Grant Number D595-MV and IDA Credit Number 6591-MV
Maldives COVID-19 Emergency Response and Health Systems Preparedness Project
Additional Instructions: Disbursement and Financial Information Letter**

I refer to the Financing Agreement between Republic of Maldives ("Recipient") and the International Development Association ("Association") for the above-referenced Project, dated April 2, 2020. 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 Grant Number D595-MV and IDA Credit Number 6591-MV (collectively "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.

This DFIL also serves as instructions for withdrawal of the proceeds of the AIIB Loan No. COFN C1680 ("AIIB Loan") provided by the Asian Infrastructure Investment Bank ("AIIB") that co-finances the Project with this Financing, as set forth in Schedule I of the DFIL.

Disbursement arrangements and reporting arrangements of AIIB Loan are included through this restatement of DFIL, which replaced the DFIL dated April 2, 2020.

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 Information Letter, and the manner in which the provisions in the guidelines apply to the Financing and AIIB Loan is specified below.

I. Disbursement Arrangements, Withdrawal and Reporting of Financing and AIIB Loan 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 and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.
- **Special Provision.** Projects in situations of urgent need of assistance or capacity constraints: Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.

(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 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". 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 signatories 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 for the Financing.

- (i) **Financial Reports.** The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, Interim Unaudited Financial Reports (IUFR) for the project covering the calendar quarter. Where a UN agency is contracted by the Recipient, the Recipient is responsible to ensure that the financial reporting requirements applicable to the UN Agency are stipulated in the agreement between the Recipient and the UN agency and met in a timely manner
- (ii) **Audits.** Each audit of the Financial Statements shall 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 shall be furnished to the Association not later than six (6) months after the end of such period. Where a UN agency is contracted by the Recipient, the Recipient is responsible to ensure that the documentation requirements applicable to the UN agency, for project audit purposes, are stipulated in the agreement between the Recipient and the UN agency

III. Other Important 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 Financing and AIIB Loan, 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 using the above reference.

Yours sincerely,



Faris H. Hadad-Zervos
Country Director for Nepal, Sri Lanka and Maldives
South Asia Region

Attachments

1. Form of Authorized Signatories Letter
2. Form of Interim Unaudited Financial Report

Schedule 1: Disbursement Provisions

Basic Information					
Grant Number Credit Number and AIIB Loan Number	IDA D595-MV, IDA 6591-MV and AIIB Loan No. COFN C1680	Country	Republic of Maldives	Closing Date	Section III.B.2 of Schedule 2 to the Financing Agreement and Section IV.B.3 of Schedule 2 of the AIIB Loan Agreement
		Recipient	Republic of Maldives		
		Name of the Project	Maldives COVID-19 Emergency Response and Health Systems Preparedness 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	Copy of Records - Invoice			
Reimbursement	Yes for contracts other than contracts referred in Clause I(i) of the DFIL	Interim Unaudited Financial Report (IUFRR) (Attachment 2)			
Advance	Yes for contracts other than contracts referred in Clause I(i) of the DFIL	Interim Unaudited Financial Report (Attachment 2)			
Special Commitment	Yes for Financing	Copy of Letter of Credit. Proforma Invoice if cited in the Letter of Credit			
Designated Account (Sections 5 and 6**)					
Type	Pooled to be operated by Ministry of Health	Ceiling	Variable		
Financial Institution - Name	Maldivian Monetary Authority	Currency	USD		
Frequency of Reporting Subsection 6.3 (**)	Quarterly	Amount	Forecast for three quarters as per the IUFRR		
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 50,000 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: The World Bank Hotel Jen, 4 th Floor, Room 404 Ameer Ahmed Magu Male', Republic of Maldives Attention : Country Director, Nepal, Sri Lanka and Maldives	Withdrawal and Documentation Applications: The World Bank No. 11, Taramani Main Road Taramani, Chennai – 600 113 India Attention: Team Lead, WFACS
Additional Instructions	
<p>(i) List of contracts selected through international open or limited competition or Direct Selection to be disbursed only using Direct Payment and/or Special Commitment disbursement methods are provided in the procurement plan.</p> <p>(ii) In case of category 1 of the table under Schedule 2 Section III.A (“Withdrawal Table”), payments to UN agencies under Financing (if any) would be made through UN Commitment disbursement mechanism under the Financing. In case of contract with UN agency, an application for issuance of UN Commitment is to be submitted by the Recipient. Subsequent payment and documentation of expenditures would be as per the commitment letter to be issued by the Association and the agreement between the Recipient and the UN agency. In case UN Commitment disbursement mechanism is not used, payments to UN agencies (if any) may also be made through UN Advance disbursement mechanism. In case of the UN Advance, payment and documentation of expenditures would be as per the agreement between the Recipient and UN agency.</p> <p>(iii) Supporting documentation requirements for reporting on use of Financing and AIIB Loan proceeds under category 2 of the Withdrawal Table of the Financing Agreement – Emergency Expenditures under Part 4 of the Project would be provided in a revised Disbursement and Financial Information letter, if funds are allocated to category 2.</p> <p>(iv) In case of category 1 of the Withdrawal Table in the Financing Agreement – Goods, works, non-consulting services, and consulting services, Training and Workshops and Incremental Operating Costs for the Project, disbursement maybe made from IDA Grant</p>	

Number D595-MV, before commencement of disbursement from IDA Credit Number 6591-MV for expenditures not covered under Schedule 2 Section III.B.1(a) of the Financing Agreement.

- (v) This Financing and AIIB Loan would finance the project on joint co-financing basis and the financing percentage would be 50% for both this Financing and AIIB Loan for the expenditures financed jointly by this Financing and AIIB Loan.
- (vi) The Association will provide disbursement services for AIIB in respect of the parts of the Project to be jointly financed by the Association and AIIB, including review and approval of application for withdrawal. The Association will provide such services using its own policies and procedures, including the instructions contained or referenced to in this DFIL.
- (vii) The Recipient will simultaneously submit separate withdrawal applications for this Financing and AIIB Loan as stated in the DFIL. The withdrawal applications will be used by the Association to process the payment and documentation of expenditures in coordination with AIIB.

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

Attachment 1 Form of Authorized Signatories Letter

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

[Date]

The World Bank
Hotel Jen, 4th Floor, Room 404
Ameer Ahmed Magu
Male', Republic of Maldives
Attention : Country Director, Nepal, Sri Lanka and Maldives

**Re: IDA Grant Number D595-MV, IDA Credit Number 6591-MV and
AIB Loan No. COFN C1680
(Maldives COVID-19 Emergency Response and Health Systems Preparedness Project)**

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“Association”) and [name of Recipient] (“Recipient”), dated _____, providing the above Financing and the Loan Agreement (“Loan Agreement”) between the Asian Infrastructure Investment Bank (“AIIB”) and the Recipient, dated _____, providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, and Section 2.03 of the General Conditions as defined in the Loan Agreement, any [one]¹ of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under this Financing and Loan.

For the purpose of delivering Applications to the Association, [each]² of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually]³ [jointly]⁴, 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 Secure Identification Credentials (SIDC) 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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of SIDC”), the

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.*

Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.]⁵

This Authorization replaces and supersedes any Authorization currently in the Association's records with respect to this Agreement and the Loan 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 – Form of Interim Unaudited Financial Report