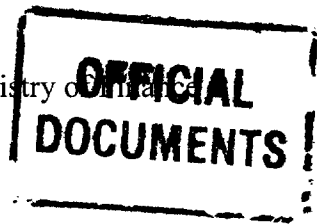


January 20, 2012

Mr. S.G. Dastidar
Controller of Aid Accounts and Audit
Department of Economic Affairs, Ministry of Finance
5th Floor, 'B' Wing
Janpath Bhawan, Janpath
New Delhi, India 110 001



CR.5035-IN

Dear Sir,

**Re: IDA Financing 5035-IN (North East Rural Livelihoods Project)
Additional Instructions: Disbursement**

I refer to the Financing Agreement between India (the "Recipient") and the International Development Association (the "Association") for the above-referenced project, dated January 20, 2012. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of financing 5035-IN ("Financing"). 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 Financing 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 Financing:
 - Reimbursement
- (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 Association.

II. Withdrawal of Financing Proceeds

- (i) **Authorized Signatures (subsection 3.1).** An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the Association at the

address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
P.O. Box 416
New Delhi 110 001, India

Attention: Mr. Roberto Zagha
Country Director, India

- (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
No. 11, Taramani Main Road
Taramani, Chennai – 600 113
India

Attention: Ms. Samvita R. Aritkatla, Finance Officer

- (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 devices (“Tokens”) 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 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 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 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) *Advances (sections 5 and 6)*. The advancing of Credit proceeds into a designated account is not a Disbursement Method currently available under this Credit. As such, applications only in support of the Disbursement Methods listed in subsection I (i) of this letter may be sent.

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:*
 - Interim Financial Report in the form attached (Attachment 4); and
 - Summary Sheet of payments against contracts that are subject to the Association's prior review, in the form attached (Attachment 5)
- (ii) *Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3)*: Not Applicable.


IV. Other Important Information

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

If you have not already done so, the Association recommends that you register as a user of the Client Connection website (<https://clientconnection.worldbank.org>). 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. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. 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 Junxue Chu, Senior Finance Officer at service account email address LOA-SAR@worldbank.org using the above reference.

Yours sincerely,



Authorized Representative

Attachments

1. ~~World Bank Disbursement Guidelines for Projects, dated May 1, 2006~~ NA
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 "Interim Financial Report"~~
5. ~~Form of Summary Sheet for Payments Against Contracts Subject to the Bank's Prior Review~~

cc: North East Livelihood Promotion Society
Project Director
House No.2, Near Nayantara
G.S. Road, Six Mile, Guwahati
Assam, India, Pin 781022

Facsimile: +91 3612331277

Attachment 2

Form of Authorized Signatory Letter
Controller of Aid Accounts and Audit
Department of Economic Affairs, Ministry of Finance
New Delhi, India 110 001

[DATE]

The World Bank
P.O. Box 416
New Delhi 110 001, India

Attention: Mr. Roberto Zagha
Country Director

Re: Financing No. ____ - ____ (North East Livelihoods Project)

I refer to the Financing Agreement (“Agreement”) between India (the “Recipient”) and the International Development Association (the “Association”), 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 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 Tokens 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 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

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 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.*

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)¹ will provide secure identification devices (Tokens) to permit the Borrower² 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.

¹ "Bank" includes IBRD and IDA.

² "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.
- 4.5. The Borrower shall immediately notify the Bank at 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, de-activate a Token User's Account or both.

NORTH EAST RURAL LIVELIHOODS PROJECT (IDA Credit xxxx IN)
INTERIM FINANCIAL REPORT (IFR 1)

SOURCES AND USES OF FUNDS
FOR THE QUARTER/PERIOD FROM __/__/20__ TO __/__/20__

Amount in INR

Description	For the quarter/period __/__/20__ to __/__/20__	For the year 20__ to 20__ (YTD)	Cumulative to Date (CTD)
1	2	3	4
(A) Opening Balances			
1	Project Bank Account - RPMU		
2	Project Bank Accounts - DPMUs		
3	Cash in Hand		
4	Advances less Liabilities		
	<i>Total Opening Balances (A=1+2+3+4)</i>		
(B) Receipt of Funds			
1	Grant received from Ministry of DoNER		
2	Interest Earned		
3	Other Income		
4	Others (please specify)		
	<i>Total Funds Received (B=1+2+3+4)</i>		
	Total Funds Available (A+B)		
(C) Project Expenditure			
1	Social Empowerment		
2	Economic Empowerment		
3	Partnership Development		
4	Project Management		
	Total Project Expenditure (C=1+2+3+4)		
(D) Closing Balance (A+B-C)			
1	Project Bank Account - RPMU		
2	Project Bank Accounts - DPMUs		
3	Cash in Hand		
4	Advances less Liabilities		
	Total Closing Balances (D=1+2+3+4)		

Certified that the above statement has been drawn from the Project books of accounts maintained by NELPS and is in conformity therewith. Further certified that all project bank accounts have been duly reconciled as at __/__/20__.

Finance Manager

Project Director

**NORTH EAST RURAL LIVELIHOODS PROJECT (IDA Credit xxxx IN)
INTERIM FINANCIAL REPORT (IFR 2)**

**USES OF FUNDS BY PROJECT COMPONENTS/SUB COMPONENTS
FOR THE QUARTER/PERIOD FROM __ / __ /20 __ TO __ / __ /20 __**

Amount in INR

SN	Project Components/Sub Components	Expenditure			
		For the quarter/period _ / _ /20 __ to _ / /20	For the year 20 __ to 20 __ (YTD)	Cumulative to Date (CTD)	
1	2	3	4	5	6
	A Social Empowerment (sub total A)				
A.1	Support to Project Facilitation Teams				
A.2	Community Mobilization and Institution Building				
	B Economic Empowerment (sub total B)				
B.1	SHG and SHG Village Federation - Investment Support				
B.2	Community Development - Investment Support				
B.3	Producer Organization - Investment Support				
B.4	Skills Development and Investment Support				
B.5	Innovation Support				
	C Partnership Development (sub total C)				
C.1	Financial Support Linkage				
C.2	Technical Support Linkage				
C.3	Marketing Support Linkage				
	D Project Management (sub total D)				
D.1	Project Management				
	<i>Operating Costs of RPMU and DPMUs</i>				
	<i>Remuneration of State Coordinators</i>				
	<i>Goods and Equipment</i>				
	<i>Consultancies</i>				
	<i>Training and Workshops</i>				
D.2	Monitoring and Learning				

SN	Project Components/Sub Components		Expenditure		
			For the quarter/period _ / _ /20__ to _ / _ /20__	For the year 20__ to 20__ (YTD)	Cumulative to Date (CTD)
1	2	3	4	5	6
	Grand Total (A+B+C+D)				

Finance Manager

Project Director

Dated:

Notes

1. The sub totals A to D should match with items 1 to 4 under part C of IFR 1.
2. District wise details of items B.1, B.2 and B.3 will be provided in Annex 2.

**NORTH EAST RURAL LIVELIHOODS PROJECT (IDA Credit xxxx IN)
INTERIM FINANCIAL REPORT - IFR ANNEX 1**

SUMMARY SHEET FOR EXPENDITURE BY COMPONENTS

Period: from __ / __ /20__ to __ / __ /20__

	Component Description	Reimbursable % age	Actual Expenditure for the current period		Actual Expenditure Year to Date	
			Total Expenditure INR	Bank's share INR	Total Expenditure INR	Bank's share INR
1	2	3	4	5=4*3	7	8=7*3
A	Social Empowerment	90				
B	Economic Empowerment	90				
C	Partnership development	90				
D	Project Management	90				
	Total					

Finance Manager

Project Director

Notes

5. Producer Organization Working Capital and Investment Fund										
a. Grant disbursed till the beginning of the period										
b. Grant disbursed during the period										
c. Total Grants disbursed till date (a+b)										
d. Grants for which UCs received										
e. Grants for which UCs to be received at the close of the period (c-d)										

Certified that the Grants have been disbursed based on compliance with eligibility criteria and achievement of milestones as defined in the PIP and verified by the DPMUs/PFTs. Further certified that the Utilization Certificates received from the Beneficiary Institutions have been reviewed and verified by the DPMUs/PFTs.

Finance Manager

Project Director

Attachment 5

SUMMARY SHEET for Payments made during the period from _____ to _____

For expenditures against the contracts subject to the Bank Prior Review

Date:

Application No.:

Loan/

Grant No.

Ref. No.

1	2	3	4	5	6	7	8	9	10	11	12
Item No.	Category No. & Description (**)	Currency and Total Amount of Contract	Name of Contractor	Ref. No. of Contract	Date of NOL from World Bank	Invoice No. & date	Currency and Total Amount of Invoice Covered by Application (Net of Retention)	Eligible % from Schedule 1 of Financing Agreement	Amount Eligible for Financing (8 x 9)	Currency and Amount Paid from Designated Account (if Applicable)	Exchange Rate (Col. 11 divided by Col. 10)
TOTALS											

Remarks:

Authorized Signatory

Supporting documents for this Application retained at _____

(insert location)

(*) A separate form should be used for retroactive financing, if any

(**) Items should be grouped by category; or alternatively, a separate form may be used for each category

Cleared with and cc: Juan Carlos Alvarez (LEGES)
Nathan Belete (SASDA)