

OFFICIAL DOCUMENTS



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May 10, 2018

Dr. Rajan Khanal
Secretary
Ministry of Finance
Government of Nepal
Singha Durbar, Kathmandu.

Dear Dr. Khanal:

**Re: IDA Financing 6194-NP
Modernization of Rani Jamara Kulariya Irrigation Scheme – Phase 2 - Project
Additional Instructions: Disbursement and Financial Information Letter.**

I refer to the Financing Agreement of even date herewith between Nepal (“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 Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Financing 6194-NP (“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

Nepal Country Office, Yak & Yeti Hotel Complex, Durbar Marg, Kathmandu, Nepal
P.O. Box 798, Phone: +977 1 4236000/4226792/4439571 Fax: +977 1 4225112

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 shall prepare and furnish to the Association not later than forty five (45) days after the end of each Fiscal Quadrimester, interim unaudited financial reports (IUFRR) for the Project covering the Fiscal Quadrimester.

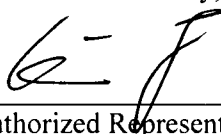
(ii) Audits. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months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

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 or Ms. Timila Shrestha/ Mr. Nagendra Nakarmi, from the Country Office in Nepal.

If you have any queries in relation to the above, please contact Mr.Satish Kumar Shivakumar, Finance Officer at satishkumar1@worldbank.org.

Yours sincerely,



Authorized Representative

Attachments

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

Schedule 1: Disbursement Provisions

Basic Information					
Financing Number	IDA 6194- NP	Country	Nepal	Closing Date	Section III.B.2 of Schedule 2 to the Financing Agreement.
		Recipient	Nepal		
		Name of the Project	Modernization of Rani Jamara Kulariya Irrigation Scheme – Phase 2 - 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		
Reimbursement	Yes		Interim Unaudited Financial Report (“IUFR”) (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: The World Bank Nepal Country Office, Yak & Yeti Complex, Durbar Marg, Kathmandu, Nepal Attention: Country Manager, Nepal			Withdrawal and Documentation Applications: The World Bank No. 11, Taramani Main Road Taramani, Chennai – 600 113 India Attention: Team Lead, WFALA		

Additional Instructions

- (i) In case of Category 2 – Competitive Learning and Adaptive Research Grant under Part B.2(a) of the Project, category 3(a) - Performance-Based Technology Adoption Grants under Part B.2(b) of the Project for Technology Adoption Support and Post-Harvest Marketing Support and category 3(b) - Performance-Based Technology Adoption Grants under Part B.2(b) of the Project for Agriculture Mechanization Support included in the withdrawal table of Schedule 2 Section III.A of the Financing Agreement, incurred and paid expenditures is to be claimed in the IUFR.

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

Attachment 1 – Form of Authorized Signatory Letter

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

[DATE]

The World Bank
Nepal Country Office,
Yak & Yeti Complex,
Durbar Marg,
Kathmandu, Nepal
Attention: Country Manager, Nepal

Re: IDA Financing 6194-NP (Modernization of Rani Jamara Kulariya Irrigation Scheme – Phase 2
- 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 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 Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by

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 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.*

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]

Attachment 2 Format of Interim Unaudited Financial Report