



November 5, 2017

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 Credit No. 6042-BD (Export Competitiveness for Jobs Project)
Additional Instructions: Disbursement Letter**

I refer to the Financing Agreement (“Agreement”) between People’s Republic of Bangladesh (“Recipient”) and the International Development Association (the “Association”) for the above-referenced project, dated November 5, 2017. The Agreements provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of financing IDA Credit no. 6042-BD (“Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“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
- Advance
- Direct Payment
- Special Commitment

(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).

Authorized signatory letters 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
Plot E32, Agargaon
Sher-e Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh
Attention: Country Director

(ii) Applications (subsection 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank
No. 11, Taramani Main Road
Taramani, Chennai – 600 113
India
Attention: Team Lead, WFALA

(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 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. If the Association agrees, the Association will provide the Recipient with SIDC 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 SIDC to Process Applications (subsection 3.2). 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* ("Terms and Conditions of Use of

Secure Identification Credentials”) provided in Attachment 3; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The minimum value for Reimbursement, Direct Payment and Special Commitment applications is equivalent of US\$ 1,000,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated Account to be operated by Ministry of Commerce
- **Currency of Designated Account (subsection 5.4):** BDT
- **Financial Institution(s) at which the Designated Account Will Be Opened (subsection 5.5):** Commercial Bank acceptable to the Association
- **Ceiling (subsection 6.1):** BDT 600,000,000

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 and for reporting eligible expenditures paid from the Designated Account:**
 - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts that are subject to the Association’s prior review in the form attached (Attachment 4);
 - Statement of Expenditures (SOE) in the form attached for other expenditures/contracts relating to categories 1 and 3 of the table in Schedule 2 Section IV.A.2 of the Agreement (Attachment 5)
 - Statement of Expenditures (SOE) in the form attached for all expenditures relating to category 2 of the table in Schedule 2 Section IV.A.2 of the Agreement (Attachment 6)
- **For requests for Direct Payment:** Records evidencing eligible expenditures - Invoice

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly

(iii) Other Supporting Documentation Instructions: Copies of bank statement of the Designated Account and reconciliation Statement (attachment 7) should be attached to Application for Withdrawal related to designated account.

IV. Other Disbursement 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) For category 2 – Matching Grants through ERF under Part 1(b) of the Project in Schedule 2 Section IV.A.2 of the Agreement, paid expenditures reported by recipients is to be included in the SOE.

V. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook for World Bank Borrowers 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.

From the Client Connection 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.

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>). 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 Mr. Satish Kumar Shivakumar, Finance Officer at satishkumar1@worldbank.org.

Yours sincerely,



Qimiao Fan

Country Director for Bangladesh
South Asia Region

Attachments:

- NA 1. *Disbursement Guidelines for Investment Project Financing dated February 2017*
2. Form for Authorized Signatures for IDA
3. *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 1, 2013
4. Form of Payments against Contracts Subject to the Association's Prior Review
5. Form of Statement of Expenditures for categories 1 and 3
6. Form of Statement of Expenditures for category 2
7. Designated Account Reconciliation Statement

Form of Authorized Signatory Letter
[Letterhead]
Ministry of Finance
[Street address]

[DATE]

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

Re: IDA Credit No. 6042-BD (Export Competitiveness for Jobs Project)

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "Association") and People's Republic of Bangladesh (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

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.*

**Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation**

March 1, 2013

The World Bank (Bank)⁶ will provide secure identification credentials (SIDC) to permit the Recipient⁷ 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.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Recipient 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 SIDC to each person identified in the ASL (Signatory), as provided below. The Recipient shall also immediately notify the Bank if a Signatory is no longer authorized by the Recipient 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 receipt of his/her SIDC. 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. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

⁶ "Bank" includes IBRD and IDA.

⁷ "Recipient" includes the recipient of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Recipient nor the SIDC User will have any access to the Account.
3. Prior to first use of the SIDC by the SIDC User, the Recipient shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.
2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Recipient, or third parties.
3. The Recipient undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:
4. ***Security***
 - 4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.
 - 4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.
 - 4.3. The SIDC 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 SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@worldbank.org.

4.5. The Recipient shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. ***Reservation of Right to Disable SIDC***

5.1. The Recipient shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.

6. ***Care of Physical Tokens***

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical 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, Physical 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. Physical 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 Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at <http://www.rsa.com>.

7. ***Replacement***

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Recipient.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.

Statement of Expenditures for categories 1 and 3

Payments made during the period from _____ to _____

Date: _____
 Application No.: _____
 Credit No.: _____
 Category: _____
 SOE No.: _____

	2	3	4	5	6	7	8	9	10	11	12
10-11-13	Name and Address of Supplier/Service Provider/training	Contract, Invoice or Purchase order No. & Date (or other ref.). In case of training, please mention World Bank's approval details	Brief Description of Services or other Expenditure	Currency and Total Amount of Contract or Invoice	Total amount of expenditure covered by application (net of retention)	Eligible financing % as per legal agreement	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)	Amount Paid From Designated Account (if any)	Date of Payment	Remarks
				TOTALS							

Supporting documents for this SOE retained at: (insert location)
 Prepared by : _____ Authorized Representative: _____

Attachment 6: Statement of Expenditures for category 2

Payments made during the period from _____ to _____

Date: _____
 Application No.: _____
 Credit: _____
 Category : _____
 SOE No.: _____

Item No.	Name of Firm	Category and window details	Total grant amount and approval details	Payment amount	Percentage to be financed by IDA	Amount eligible for financing	Amount paid from Designated Account	Whether financing from other sources made (Y/N)	Remarks
1	2	3	4	5	6	7	8	9	10

Supporting documents for this SOE retained at _____

(insert location)

Prepared by :

Authorized Representative:

(*) A separate SOE form should be used for retroactive financing
 (***) A separate SOE form may be used for each category

Attachment 7

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

FINANCING NUMBER _____
ACCOUNT NUMBER _____ WITH (BANK) _____

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) BDT _____
2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - BDT _____
3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2) = BDT _____

4. BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE _____ BDT _____

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____ + BDT _____ *

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: _____ + BDT _____ *

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

<u>APPLICATION NO.</u>	<u>AMOUNT *</u>
_____	_____
_____	_____

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED +BDT _____

8. MINUS: INTEREST EARNED - BDT _____ *

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)= BDT _____

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

11. DATE: _____ SIGNATURE: _____

TITLE: _____