Honorable Samuel D. Tweah Jr.
Minister
Ministry of Finance and Development Planning
Monrovia, Republic of Liberia

Re: Republic of Liberia
Credit No. 6646-LR
(Institutional Foundations to Improve Services for Health Project)
Additional Instructions: Disbursement and Financial Information Letter

Honorable Minister:

I refer to the Financing Agreement between the Republic of Liberia (the “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 Recipient may from time to time request withdrawals of Credit amounts from the Credit Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Credit Funds, and Reporting of Uses of Credit Funds


(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\(^2\), 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.

(ii) Electronic Delivery. Section 11.01 (c) of the General Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Association’s web-based portal “Client Connection” at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through
“Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations), and which were previously agreed with the Association. 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 must prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports (“IFR”) for the Project covering the quarter.

(ii) Audits. Each audit of the Financial Statements must 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 must be furnished to the Association not later than six (6) months after the end of such period.

III. Other 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 Credit, 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 AsksLoan@WorldBank.org using the above reference.

Yours sincerely,

______________________________
Khwima Nthara
Khwima Nthara
Country Manager
Ghana, Liberia and Sierra Leone
Africa Region
Attachments

1. Form of Authorized Signatory Letter
2. Interim unaudited Financial Report (IFR) – provided separately
## Schedule 1 : Disbursement Provisions

### Basic Information

<table>
<thead>
<tr>
<th>Credit Number</th>
<th>Country</th>
<th>Closing Date</th>
<th>Section III.B.6. of Schedule 2 to the Financing Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>6646-LR</td>
<td>Republic of Liberia</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Recipient | Country | | 
|-----------|---------||
| Republic of Liberia | | |

<table>
<thead>
<tr>
<th>Name of the Project</th>
<th>Disbursement Deadline Date</th>
</tr>
</thead>
</table>
| Institutional Foundations to Improve Services for Health Project | Subsection 3.7 ** 
| Four months after the closing date. |

### Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of records</td>
</tr>
</tbody>
</table>

| Reimbursement | Yes | Interim unaudited Financial Report (IFR) in the format provided in Attachment 2 of the DFIL. Including those documentation requirements for a) PBF grants and incentives (category 2) and b) EEPs (category 3) as referenced below. |

| Advance (into a Designated Account) | No Advances until lapsed loan status resolved | Interim unaudited Financial Report (IFR) in the format provided in Attachment 2 of the DFIL. Including those documentation requirements for a) PBF grants and incentives (category 2) and b) EEPs (category 3) as referenced below. |

| Special Commitments | Yes | Copy of Letter of Credit |

**Designated Account (Sections 5 and 6 **) - Upon resolution of lapsed loan status in the portfolio the below will apply**

<table>
<thead>
<tr>
<th>Type</th>
<th>Financial Institution Name</th>
<th>Frequency of Reporting Subsection 6.3 **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two Segregate accounts, both managed by Project Financial Management Unit (PFMU)</td>
<td>For both DAs at Ecobank Liberia Limited.</td>
<td>Quarterly for each of the DAs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ceiling</th>
<th>Variable for each of the DAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency</td>
<td>USD for both DAs</td>
</tr>
<tr>
<td>Amount</td>
<td>Two quarter forecast as per IFRs for each of the DAs</td>
</tr>
</tbody>
</table>

**Minimum Value of Applications (subsection 3.5)**

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 100,000 equivalent.

**Authorized Signatures (Subsection 3.1 and 3.2 **)**

The form for Authorized Signatories Letter is provided in Attachment I of this letter.

**Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)**

Authorized Signatures Letter (ASL) (subsection 3.1 and 3.2) and Applications (subsections 3.3 - 3.4)

ASL in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications: (or alternatively Recipient can continue using the current blanket ASL on file dated March 13, 2018, if applicable)

The World Bank
Loan operations Nairobi regional processing center
All Withdrawal Applications and its supporting documentation will be electronically sent via the Association’s system ClientConnection.

<table>
<thead>
<tr>
<th>Additional Information</th>
</tr>
</thead>
</table>

Under Category 2 - Part A.3 of the project (i.e. Performance Based Financing - PBF), the following is required:

1. **Utilization Verification:** A formal report, by an independent PBF Verification Entity (PBF VE), verifying the total number of eligible service rendered (PBF Subprojects) to eligible beneficiaries (PBF Grants Beneficiaries) and,

2. **Expenditure Verification:** A formal report, to be provided by the MoH - Performance Based Financing Unit, verifying the total expenditures for all eligible health care facilities services (PBF Grants Beneficiaries) inline with the set unit costs for services rendered and,

3. **Performance Based Grants Expenditure Report:** A report prepared by PFMU indicating amount to be claimed from the financing showing unit cost multiplied by the number of eligible services.

Under Category 3 - Part B of the project (i.e. DLI linked category), the following is required:

1. Please refer to the withdrawal Condition(s) in the Financing Agreement. Section III.B.
2. Interim Financial Report (IFRs) in the form attached (Attachment 2) including the sheets (i) DLIs reconciliation Form, (ii) List of DLIs achieved and verified, (iii) Sources and Uses of Funds, (iv) Cash Forecast and (v) Bank Reconciliation.
3. Confirmation notice by task team leader that (i) one or more DLI(s) (as referred to in LA annex 2) have been achieved and verified by the independent verification agency (IVA) according to the verification protocol set in the project’s operations manual and (ii) indicating amounts pertaining to such DLI(s).
4. The Borrower has furnished evidence satisfactory to the Bank that (i) EEP payments have been made and verified in accordance with provisions of Loan Agreement Section III.B.3 and that (ii) the relevant DLI(s) has/have been achieved and verified.
5. For Documentation expenditures category 2 EEPs, the Lesser of (i) EEP payments reported in the IFRs (as verified by the General Audit Commission) or (ii) the amounts confirmed by TTL based on IVA verification report pertaining to DLIs which have been achieved and verified in accordance with the verification protocol set in project’s operations manual, will be documented, as presented in the DLIs reconciliation Form (on cumulative basis).

**Other**

Not Applicable

**Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.**
Attachment 1 – Form of Authorized Signatory Letter

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

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

[DATE]

Re: Republic of Liberia
Credit No. 6646-LR
(Institutional Foundations to Improve Services for Health Project)

Attention: ____________________, Country Director

I refer to the [Grant] [Credit] Agreement (“Agreement”) between the International Development Association (the “Association”), and [name of recipient] (the “Recipient”), dated ______, providing the above [Grant] [Credit]. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [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 [Grant] [Credit].

For the purpose of delivering Applications to the Association, including by electronic means, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

1 Instruction to the Recipient: add text in line with the Grant Agreement if applicable; if not applicable delete it. 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 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.

3 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.

4 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.

5 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.
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 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 /

______________
Attachment 2 - Interim unaudited Financial Statements
Provided separately