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OFFICIAL DOCUMENTS

September 11, 2019

H.E. Dr. Sahar Ahmed Nasr
Minister of Investment and International Cooperation
Ministry of Investment and International Cooperation
8 Adly Street
Cairo, Arab Republic of Egypt

Re: Loan No. 8997-EG
(Additional Financing for Strengthening Social Safety Net Project)
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Loan Agreement between the Arab Republic of Egypt (the "Borrower") and the International Bank for Reconstruction and Development (the "Bank") for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loan Amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. 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 Loan Funds, and Reporting of Uses of Loan Funds

The *Disbursement Guidelines for Investment Project Financing,* dated February 2017, ("Disbursement Guidelines") are available in the Bank'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 the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, 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.

(ii) **Electronic Delivery.** Section 10.01(c) of the General Conditions.

The Borrower shall deliver Withdrawal Applications (with supporting documents) electronically through the World Bank's web-based portal (https://clientconnection.worldbank.org) "Client Connection". This option will be effected after the officials designated in writing by the Borrower who are authorized to sign and

deliver Withdrawal Applications have registered as users of "Client Connection". The designated officials shall deliver Withdrawal Applications electronically by completing the Form 2380, which is accessible through "Client Connection". By signing the Authorized Signatory Letter, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Withdrawal Applications and supporting documents to the World Bank by electronic means. The Borrower 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 World Bank. By designating officials to use SIDC, the Borrower 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 Withdrawal Applications and Supporting Documentation, available in the World Bank'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 Borrower, through the Ministry of Social Solidarity, must prepare and furnish to the Bank 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 Project Financial Statements must cover the period of one fiscal year of the Borrower, 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 Bank not later than six (6) months after the end of such period and made publicly available in a timely fashion.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank's website (http://www.worldbank.org/) and "Client Connection". The World Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Withdrawal Applications, monitor the near real-time status of the 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 World Bank by email at askloans@worldbank.org.

Yours sincerely,

By: _____

Marina Wes
Country Director for Egypt, Yemen and Djibouti
Middle East and North Africa Region

Attachments

1. Form of Authorized Signatory Letter
2. Form of Unaudited Interim Financial Report
3. Form of DLI Reconciliation Statement for Category 1 and Category 2

Schedule 1 : Disbursement Provisions

<table>
<tr><th colspan="6">Basic Information</th></tr>
<tr><td rowspan="2">Loan Number</td><td rowspan="2">8997-EG</td><td>Country</td><td>Arab Republic of Egypt</td><td rowspan="2">Closing Date</td><td rowspan="2">Section III.B.6. of Schedule 2 to the Loan Agreement.</td></tr>
<tr><td>Borrower</td><td>Ministry of Investment and International Cooperation</td></tr>
<tr><td colspan="2"></td><td>Name of the Project</td><td>Additional Financing for Strengthening Social Safety Net Project</td><td>Disbursement Deadline Date
Subsection 3.7 **</td><td>Four months after the closing date.</td></tr>
<tr><th colspan="6">Disbursement Methods and Supporting Documentation</th></tr>
<tr><td colspan="2">Disbursement Methods
Section 2 (**)</td><td>Methods</td><td colspan="3">Supporting Documentation
Subsections 4.3 and 4.4 (**)</td></tr>
<tr><td colspan="2">Direct Payment</td><td>Yes, for Category 3</td><td colspan="3">Copy of records</td></tr>
<tr><td colspan="2">Reimbursement</td><td>Yes</td><td colspan="3">• Unaudited Interim Financial Report in the format provided in Attachment 2 of the DFIL
• For Category 1 and 2:
o DLI Reconciliation Statement in the format provided in Attachment 3 of the DFIL
o Bank notification confirming that (i) one or more DLIs/DLRs (as referred to Annex to Schedule 2 of the Loan Agreement) have been achieved and, (ii) indicating the amounts payable for such DLIs/DLRs</td></tr>
<tr><td colspan="2">Advances</td><td>Yes</td><td colspan="3">• Unaudited Interim Financial Report in the format provided in Attachment 2 of the DFIL
• For Category 1 and 2:
o DLI Reconciliation Statement in the format provided in Attachment 3 of the DFIL
o Bank notification confirming that (i) one or more DLIs/DLRs (as referred to under Annex to Schedule 2 of the Loan Agreement) have been achieved and, (ii) indicating the amounts payable for such DLIs/DLRs</td></tr>
<tr><td colspan="2">Special Commitments</td><td>Yes, for Category 3</td><td colspan="3">Copy of Letter of Credit</td></tr>
<tr><th colspan="6">Advances (Sections 5 and 6 **)</th></tr>
<tr><td colspan="2">Type</td><td colspan="2">For Category 3: Segregated
Category 1 and Category 2: Treasury Single Account</td><td>Ceilings</td><td>Variable</td></tr>
<tr><td colspan="2">Financial Institution – Name</td><td colspan="2">Central Bank of Egypt</td><td>Currency</td><td>USD</td></tr>
</table>

Frequency of Reporting Subsection 6.3 (**)	Quarterly		**Amount**	For each advance: forecast for 2 quarters as provided in the quarterly IFR
Minimum Value of Applications (subsection 3.5)				
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment Issuance under Category 3 is 20 percent of the outstanding Designated Account Advance. There is no minimum value of applications for Reimbursement under Category 1 and Category 2				
Authorized Signatures *(Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter* ***Withdrawal and Documentation Applications*** *(Subsection 3.3 and 3.4 **)*				
Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 1) 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: The World Bank 1818 H Street, N.W. Washington, DC 20433 United States of America Attention: Marina Wes, Country Director for Egypt ***Applications (subsections 3.2 - 3.3)***. All Withdrawal Applications and their supporting documentation shall be electronically submitted via the World Bank's web-based Portal "Client Connection".				
Additional Instructions				
For each withdrawal request against Category 1 and Category 2, the amount payable shall be the lesser between the amount allocated for the achievement of one or more DLIs/DLRs and the amount of eligible expenditures by the achievement date of such DLIs/DLRs.				

*** 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]

[*DATE*]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Re: Loan No. 8997-EG
(Additional Financing for Strengthening Social Safety Net Project)

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the "World Bank") and the Arab Republic of Egypt (the "Borrower"), dated _____, providing the above Loan. 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 Borrower to sign applications for withdrawal under this Loan.

For the purpose of delivering Applications to the World Bank, [2][each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting [3][individually] [4][jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

[5][This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting

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[1] Instruction to the Borrower: 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 Bank.*

[2] Instruction to the Borrower: 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 Bank.*

[3] Instruction to the Borrower: 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 Bank.*

[4] Instruction to the Borrower: 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 Bank.*

documents to the World Bank by electronic means. In full recognition that the World Bank 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 Borrower represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the World Bank 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 Borrower: Add this paragraph if the Borrower 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 Bank.*

Attachment 2

Unaudited Interim Financial Report

SSSNP Additional Financing - Sources and Use of Funds

Item	Actual						Planned						PAD
	Current Quarter ending XX/XX/20XX		Year-to date 1/July/20XX : XX/XX/20XX		cumulative to date ending XX/XX/20XX		Current Quarter XX/XX/20XX		Year-to date 1/July/20XX : XX/XX/20XX		cumulative to date XX/XX/20XX		Life of Project
	IBRD	GoE	IBRD	GoE	IBRD	GoE	IBRD	GoE	IBRD	GoE	IBRD	GoE	
Opening cash balances													
Local account for Govt share													
Designated Account (DA) WB loan #													
Sources of funds													
Loan withdrawal / GoE Payment													
Total													
Uses of funds by category													
Category 1: total													
Cash transfers													
Category 2: total													

Economic Inclusion Activities													
Category 3: total													
1- Goods													
2- Consulting Firms													
3- Individual Consultants													
4- Operational costs													
Total Uses of funds													
Closing cash balances													
Total													

SSSNP - Additional Financing -Designated Account Reconciliation Statement for Category 3

1	Opening balance as of as of x/x/20xx	
2	Add: cumulative discrepancy explained below*	
3	IBRD advance during the quarters	
4	less: refund to IBRD from DA	
5	Present outstanding amount advanced to DA	
6	DA closing balance as of X/X/20XX carried forward to next period	
7	Add: amount of eligible expenditures paid during quarter	
8	Service charges (if debited to DA)	
9	Less: interest earned (if credited to DA)	
10	Total advance accounted for	
11	Discrepancy (5)-(10) to be explained	

Attachment 3

DLI Payment Reconciliation Statement under Category 1 and Category 2

TABLE 1: SUMMARY STATEMENT OF ELIGIBLE EXPENDITURES AS OF MM-DD-YY

	NAME	AMOUNT
1	CUMULATIVE ELIGIBLE EXPENDITURES PAID AT THE END OF CURRENT REPORTING PERIOD UNDER PART A OF THE PROJECT (Category 1)	
2	CUMULATIVE PAYMENT MADE UNDER DLI #1, 4, 5, 6, 8, 9 and 10 AT THE END OF THE PREVIOUS REPORTING PERIOD *	
3	DLI PAYMENT REQUEST UNDER CATEGORY 1**	
4	TOTAL (line 2 + line 3)	
5	ADJUSTED AMOUNT (if line 4 > line 1)	
6	AMOUNT PAYABLE UNDER CATEGORY 1 (line 3 – line 5)***	
7	CUMULATIVE ELIGIBLE EXPENDITURES PAID AT THE END OF CURRENT REPORTING PERIOD UNDER PART D OF THE PROJECT (Category 2)	
8	CUMULATIVE PAYMENT MADE UNDER DLI #2, 3 and 7 AT THE END OF THE PREVIOUS REPORTING PERIOD *	
9	DLI PAYMENT REQUEST UNDER CATEGORY 2**	
10	TOTAL (line 8 + line 9)	
11	ADJUSTED AMOUNT (if line 10 > line 7)	
12	AMOUNT PAYABLE UNDER CATEGORY 2 (line 5 – line 7)***	
13	CUMULATIVE ADVANCES MADE BY THE WORLD BANK FOR CATEGORY 1 AND CATEGORY 2	
14	CUMULATIVE PAYMENTS APPROVED BY THE WORLD BANK FOR CATEGORY 1 AND CATEGORY 2 (line 2 + line 6 + line 8 + line 12)	
15	OUTSTANDING ADVANCE (line 13 – line 14)	
16	DLI PAYMENT FORECAST FOR THE NEXT 9 MONTHS	
17	ADDITIONAL ADVANCE TO BE MADE BY THE WORLD BANK (line 16 – line 15)	

** Total of column 2 of Table 2*

*** Total of column 3 of Table 2*

**** Total of column 4 of Table 2*

TABLE 2: SUMMARY STATEMENT OF DLI STATUS AS OF MM-DD-YY

DLI		Allocation	Cumulative amount paid in the previous report	DLI amount verified in the current report	DLI amount payable in the current report	Cumulative amount paid at the end of the current period
		1	2	3	4	5
DLI#1	the Re-certification of Round 1 Beneficiaries under the Takaful and Karama Cash Transfer Program has been finalized	100,000,000				
DLI#4	Number of Beneficiaries enrolled under the Takaful and Karama Cash Transfer Program has increased to 2,500,000. (Baseline: 2,268,801 Beneficiaries)	125,000,000				
DLI#5	Number of Beneficiaries enrolled under the Takaful and Karama Cash Transfer Program has increased to 3,000,000	75,000,000				
DLI#6	Beneficiaries of the Social Solidarity Pension (Daman) reassessed, using the PMT, for eligibility under the Takaful and Karama Cash Transfer Program. (Baseline: 0).	30,000,000				
DLI#7	Eligibility calculation formula is revised to prioritize applicants for the Takaful and Karama Cash Transfer Program from Frontier Governorates.	70,000,000				
DLI#9	MIS adopts the use of UNR platform to perform electronic data exchange with external databases.	10,000,000				
DLI#10	The Grievance Redress Mechanism is updated and operational					
DLR#10.1	The Grievance Redress Mechanism has been updated, to accommodate potential grievances related to economic inclusion services and	10,000,000				

	empowerment services pilot, recertification of beneficiaries and conditionality, by the end of FY21.					
DLI#10.2	The GRM has a resolution rate of at least 80% of received grievances, by the end of FY22.	5,000,000				
	SUBTOTAL under Category 1	**425,000,000**				
DLI#2	Number of profiled candidates received Training under the Economic Inclusion and Empowerment Services Pilot (Baseline: 0)	25,000,000				
DLI#3	Impact Evaluation Study of the Economic Inclusion and Empowerment Services Pilot has been finalized.	5,000,000				
DLI#8	MIS System updated and operationalized for the Economic Inclusion and Empowerment Services Pilot	15,000,000				
	SUBTOTAL under Category 2	**45,000,000**				
	TOTAL	**470,000,000**				