Re: PID-MDTF Grant No. TF0B2334
(Water Security Development - Gaza Central Desalination Program:
Associated Works Phase I Project)
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Grant Agreement ("Agreement") between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the grant funds provided by various donors ("Donors") under the Partnership for Infrastructure Development Multi-Donor Trust Fund for the above-referenced project, of even date herewith. The Standard Conditions, as defined in the Grant Agreement, provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B2334 ("Grant"), and may set out Project specific financial reporting requirements. This letter ("Disbursement and Financial Information Letter"), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The World Bank Disbursement Guidelines for Projects, dated February 1, 2017, ("Disbursement Guidelines") are available in the World Bank's public website at https://www.worldbank.org, and are an integral part of the Disbursement and Financial Information Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant 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

The table in Schedule 1 provides 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 and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01 (c) of the Standard Conditions.

The Recipient shall deliver Withdrawal Applications (with supporting documents) electronically through the World Bank’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 shall deliver Withdrawal 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 Withdrawal Applications and supporting documents to the World Bank 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 Recipient encounters legal limitations), and which were previously agreed with the World Bank. By designating officials to use SIDC and to deliver Withdrawal 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 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. Section 2.07 (a) and (b) of the Standard Conditions.

(i) Financial Reports.

The Recipient shall cause PWA to prepare and furnish to the World 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 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 must be furnished to the Bank 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 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 Grant, 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 using the above reference.

Yours sincerely,


g

Kanthan Shankar
Country Director
West Bank and Gaza
Middle East and North Africa
Attachments

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)
3. Bank Statement Reconciliation
# Schedule 1 - Disbursement Provisions

## Basic Information

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country</th>
<th>Closing Date</th>
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<tbody>
<tr>
<td>TF0B2334</td>
<td>West Bank and Gaza</td>
<td>Section III.B.2 of Schedule 2 to the Grant Agreement.</td>
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<tr>
<td>Recipient</td>
<td>Palestine Liberation Organization</td>
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<tr>
<td>Name of the Project</td>
<td>Water Security Development - Gaza Central Desalination Program: Associated Works Phase I Project</td>
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<tr>
<td>Disbursement Deadline Date</td>
<td>Subsection 3.7 **</td>
<td>Four months after the closing date.</td>
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## Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods Section 2 (**)</th>
<th>Methods</th>
<th>Supporting Documentation Subsections 4.3 and 4.4 (**)</th>
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</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of records</td>
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<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL</td>
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<tr>
<td>Designated Account</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL</td>
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<td>Designated Account Statement Reconciliation in the format provided in Attachment 3 of the DFIL</td>
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<tr>
<td>Special Commitments</td>
<td>Yes</td>
<td>Copy of Letter of Credit</td>
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## Designated Account (Sections 5 and 6 **)

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<th>Type</th>
<th>Segregated</th>
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<th>Fixed</th>
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<tr>
<td>Financial Institution - Name</td>
<td>Bank of Palestine</td>
<td>Currency</td>
<td>USD</td>
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<tr>
<td>Frequency of Reporting Subsection 6.3 (**)</td>
<td>Monthly</td>
<td>Amount</td>
<td>2,000,000</td>
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## Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment issuance is equivalent to 20 percent of the outstanding Designated Account advance.

## 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 **)

An authorized signatory letter 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:

- The World Bank
- West Bank & Gaza Office
- Jerusalem, Dahiet Al-Barid
- P.O. Box 54842
- Attention: Mr. Kanthan Shankar, Country Director

All Withdrawal Applications and their supporting documentation shall be electronically submitted via the World Bank's web-based Portal “Client Connection” **Sections and subsections indicated relate to the Disbursement Guidelines for Investment Project Financing dated February 2017.**
Form of Authorized Signatory Letter

[Letterhead]

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

[DATE]

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

Attention: [Country Director]

Dear [Country Director]:

Re: PID-MDTF Grant No. TF0B2334
(Water Security Development - Gaza Central Desalination Program:
Associated Works Phase I Project)

I refer to the [Grant] [Letter] Agreement (“Agreement”) between the [International Bank for Reconstruction and Development/International Development Association] (“[World Bank”][“Association”]), acting as [an implementing agency of the Global Environmental Facility] [administrator of the Global Partnership on Output-based Aid] [administrator of name of the trust fund], and [name of recipient] (the “Recipient”), dated _______, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard 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.

For the purpose of delivering Applications to the [World Bank] [Association], 2 [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 [World Bank] [Association].

---

1 Instruction to the Recipient when sending this letter to the World Bank: 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 World Bank/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 World Bank/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 World Bank/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 World Bank/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 [World Bank] [Association] by electronic means. In full recognition that the [World Bank] [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 [World Bank] [Association] 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] [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 World Bank/Association.
Payments made during the period from _____________ to _____________

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<tbody>
<tr>
<td>Article</td>
<td>Supplier’s Name</td>
<td>Type of Good or Service (CW/GO/CS/OP/TR) / Brief Description</td>
<td>Currency and Total Amount of Contract</td>
<td>Currency and Total Amount of Invoice Covered by Application</td>
<td>% Financed by IBRD/IDA/TF</td>
<td>Amount Eligible for Financing (5 x 6)</td>
<td>Currency and Amount Paid from Designated Account (if Applicable)</td>
<td>Exchange Rate</td>
<td>Date of Payment</td>
<td>Remarks</td>
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**TOTALS**

Supporting documents for this SOE retained at ____________________________________________ (location)
DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER NUMBER ______________
ACCOUNT NUMBER ______________ WITH (BANK) __________________________

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) 
   __________________

2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK 
   - __________________

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO 
   THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = __________________

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

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS 
   APPLICATION NO. ______________ 
   + __________________ *

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

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

   APPLICATION NO. 

   AMOUNT * 

   ____________  ____________

   ____________  ____________

   SUBTOTAL OF PREVIOUS 
   APPLICATIONS NOT YET CREDITED 
   + __________________

8. MINUS: INTEREST EARNED 
   - __________________ *

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

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

   _______________________________________________________________________

   _______________________________________________________________________

11. DATE: __________________________ SIGNATURE: __________________________

   TITLE: __________________________