January 12, 2016

His Excellency Komi Koutché  
Minister of State in charge of Economy, Finance and Privatization Program  
Ministry of Economy, Finance and Privatization Programs  
Cotonou, Republic of Benin

Excellency,

Re: Benin: IDA Credit No. 54210- BJ  
Africa Higher Education Centers of Excellence Project  
Additional Instructions: First Revised Disbursement

I refer to the Financing Agreement ("Agreement") between Republic of Benin ("Recipient"); and the International Development Association ("Association") for the above-referenced project of even date herewith. This revised Disbursement Letter includes a modification to Section IV and section II (i). Withdrawal Conditions, Withdrawal Period, and Section V. Other Disbursement Instructions to reflect requirements for DLIs/DLRs reconciliation with IFRs and TTL clearances. The Agreement provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of Credit No.5421- BJ ("Credit"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("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 Credit 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 Credit:

- Advances
- Reimbursement
- Direct Payment

(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.
(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Financing Agreement.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1).
A 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
Benin Country Office
Cotonou, Benin
Attention: Country Director for Benin

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed applications for withdrawal together with supporting documents, to the address indicated below:

The World Bank, Loan Department
13th Floor Delta Center
Menengai Road
Upper Hill
P.O. Box 30557-00100
Nairobi Kenya
Tel +254 20 2936 000

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank 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 World Bank 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 World Bank agrees, the World Bank 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 World Bank 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. By designating officials to use SDIC 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 SIDC") provided in Attachment 2; and (b) to cause such official to abide by those terms and conditions.

*(v) Minimum Value of Applications (subsection 3.5).* The Minimum Value of Applications for Direct Payments and Special Commitments is US$200,000.

*(vi) Advances (sections 5 and 6).*

- **Type of Designated Account (subsection 5.3):** Segregated
  *Designated Account (DA) will received advance made against DLI2*

- **Currency of Designated Accounts (subsection 5.4):** CFAF

- **Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):** BCEAO Cotonou

- **Ceiling (subsection 6.1):**
  Up to the maximum of 15% of DLR 2.1 to 2.8 for the semester per university

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:**
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5)
  - Interim Financial Report in the form attached (Attachment 4) for all other expenditures / contracts; and
  - Supplementary information on performance grants (included in Attachment 4)

- **For requests for Direct Payments and Special Commitments:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and acceptance of contracted goods or service.

*(ii) Frequency of Reporting Eligible Expenditures Paid (subsection 6.3):* frequency of submission of the bi-annual Interim Financial Report specified in Section II.B. 2 of Schedule 2 to the Financing Agreement.

*(iii) Other Supporting Documentation Instructions:*

All other supporting documentation for IFRs should be retained by the project management or Recipient and must be made available for review by periodic World Bank missions and internal and external auditors.
Copies of the following documents should be attached to each withdrawal applications:

- Commitment of the government to invest in the ACE through a specific budget line;
- Money transfer proof of the previous tranche from the MoF to the ACE designated account;
- Proof of Commitment for the next year;
- ACE results achievement proofs.

IV. Withdrawal Conditions; Withdrawal Period

- Please refer to Section IV, Part B, 1 and 2 of the Financing Agreement for the Withdrawal Conditions and DLIs/DLRs.
- Disbursements under category (1) and (2) will be made upon achievement of the DLIs/DLRs specified in Schedule 4 of the Financing Agreement.
- The verification agency AAU will verify the results and prepare the spending report with a proposal for disbursement.
- Prior to process a Withdrawal Application the TTL needs to communicate to WFAWA the respective clearance based on the verification report prepared by the AAU that the ACE results were achieved including the following text: “I certify and provide clearance the DLI/DLRs comply with the conditions for disbursement purposes for Investment Project Financing, was met and the respective reimbursement for underline EEPs reflected in the IFRs for the same period are equal or higher than the amount of the DLIs/DLRs requested.”

V. Other Disbursement Instructions

Funds from the Designated Accounts may be transferred to ‘Draw-down bank account” in local currency to meet eligible expenditures, provided that transaction and balance in this account are included in all project financial report and in the IFRs referred to in Section III (iii) above.

All withdrawals in form of reimbursement under category (1) and category (2) from the Financing shall be deposited by the Association into an account designated by the recipient and acceptable to the Association.

Designated Accounts A and B will be reduced to a zero balance against funds paid towards DLRs from depository bank account, each time the DLRs are successfully completed and cleared by the TTL. There could be replenishment of Designated Account A and B if needed after the initial advance, until the total value of the DLRs are completed for each of the following cycles during implementation.

VI. Other Important Information

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). 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. 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 us at WFALE–AFR@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Luis Schwarz
Senior Finance Officer
WFALP

Attachments:
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
3. Terms and Conditions for the Use of Security Identification Devices - Tokens
4. Form of Interim Unaudited Financial Reports - IFRs
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review

Luis M. Schwarz, Senior Finance Officer
Cleared with and cc: Isabella Micali Drossos - LEGAM