March 3, 2014

His Excellency Ato Sufian Ahmed
Minister of Finance and Economic Development
Ministry of Finance and Economic Development
Federal Democratic Republic of Ethiopia
Addis Ababa

Re: Grant No. TF014815 (Heath Results Innovation Project)
First revised Disbursement Letter dated December 23, 2013
Additional Instructions: Disbursement Letter

Excellency:

I refer to the Letter Agreement ("Agreement") between the Federal Democratic Republic of Ethiopia ("Recipient") and the International Bank for Reconstruction and Development and International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors under ("Donors") under the Multi Donor Trust Fund for Health Results Innovation Grant ("MDTF for HRIF Grant") for the above-referenced project, dated December 23, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF014815 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is a First revision of the Disbursement Letter dated December 23, 2013 for the above referenced project, and amends the allowed disbursement method from being Direct Payment as per section I (i) below, to UN-advance method.

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 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

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:
- UN-Advance

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Withdrawal Condition(s) in Section 3.02 of the Grant Agreement.
II. Withdrawal of Grant 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 submit Applications:

The World Bank  
1818 H Street, N.W.  
Washington, DC  20433  
United States of America  
Attention:  [Country Director’s Name] or [Authorized Signatory of Grant Agreement]

(ii) Applications (subsections 3.2- 3.3). Please provide completed applications for withdrawal, together with supporting documents, through the World Bank’s Client Connection, web-based portal, following the instructions for electronic delivery. In the case the recipient does not have internet access, the World Bank may permit the delivery of applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

The World Bank,  
Loan Department,  
P. O. Box 30577 – 00100,  
Nairobi,  
Kenya.

(iii) Electronic Delivery (subsection 3.4) 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 accept 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 SIDC”) provided in Attachment [3]; and (b) to deliver the Terms and Conditions of Use of SIDC to each such official and to cause such official to abide by those terms and conditions.
(vi) **Advances (sections 5 and 6).**

- **Type of Designated Account (subsection 5.3):** Advances made by the World Bank shall be deposited into an official UN bank account managed by UNICEF and as in accordance to the Memorandum of Understanding (MoU) to be entered into between the Ministry of Finance and Economic Development (MoFED) and UNICEF.

- **Currency of Designated Account (subsection 5.4):** USD

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** A financial institution acceptable to the World Bank and official UN bank account.

- **Ceiling (subsection 6.1):** forecast for 6 months as provided in the bi-annual Interim Financial Report

### III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For reporting eligible expenditures paid from the UN-advance account:** UNICEF expenditure report.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Bi-annually.

### IV. Other Important Information


From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website ([https://clientconnection.worldbank.org](https://clientconnection.worldbank.org)). From this website you will be able to download Applications, monitor the near real-time status of the Grant, 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 affected. For more information about the website and registration arrangements, please contact the World Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact LOA-TF by sending an email to loa-tf@worldbank.org and using the trust fund number as a reference.
Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

Vidya Narasimhan
Finance Officer, CTRLD

Attachments with original letter
Cc with copies: [Project Implementing Entity]
[street address]
[city], [country]
[email address]