H.E. Dr. Americo d’Oliveira dos Ramos  
Minister of Finance and International Cooperation  
Ministry of Finance and International Cooperation  
Caixa Postal 168  
Sao Tome  
Democratic Republic of Sao Tomé e Principe

Re.: DEMOCRATIC REPUBLIC OF SAO TOME E PRINCIPE  
Global Environment Facility Grant No. TF099869-ST  
(Adaption to Climate Change Project)  
Additional Instructions: Second Restatement Disbursement Letter

Excellency:

I refer to the Grant Agreement between the International Bank for Reconstruction and Development (“World Bank”), acting as an Implementing agency of the Global Environmental Facility Least Developed Country Fund (“GEF”) and the Democratic Republic of Sao Tomé e Principe (the "Recipient"), for the above-referenced project dated June 20, 2011. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF099869-ST (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is a Second Restatement of the Original Disbursement Letter” dated June 20, 2011; the First Restatement is dated November 2, 2011 for the above referenced project. The purpose of the restatement is to increase the Designated Account ceiling (Section II(vi)). All other provisions and attachments of the “Original Disbursement Letter” dated June 20, 2011, except as amended, shall remain in force and effect.

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:

- Reimbursement
- Direct Payment
- Advance
- Special Commitment
(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). There are no disbursement conditions.

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 sign Applications:

Mr. Luz Meza-Bartrina
Country lawyer for the Democratic Republic of São Tomé e Príncipe
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank,
Loan Department,
Delta Center, 13th Floor,
Menegai Road, Upper Hill,
Nairobi, Kenya.

(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 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 Secure Identification Credentials”) provided in Attachment 3; 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 will be USD 60,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** United States Dollars (USD)
- **Financial Institution at which the Designated Account Will Be opened (subsection 5.5):** Banco Internacional de S. Tome e Principe
- **Ceiling (subsection 6.1):** USD 650,000

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 requests for Reimbursement and for reporting eligible expenditures paid from the Designated Account**
  - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4).
  - Records evidencing eligible expenditures (Attachment 3A—Statement of Expenditure – with supporting documentation, e.g., copies of receipts, supplier invoices, for payments made under contracts above SOE documentation thresholds: (i) Consulting Firms against contracts valued at USD 100,000 equivalent or more; (ii) Individual Consultants at USD 50,000 equivalent or more; (iii) Goods against contracts valued at USD 200,000 equivalent or more; (iv) Works against contracts valued at USD 500,000 equivalent or more;
  - Statement of Expenditure in the form attached (Attachment 3B) for all expenditures; and
  - A Designated Account activity reconciliation statement and Bank Statement should be submitted with each withdrawal application reporting on the use of Grant proceeds paid from the Designated Account.

- **For requests for Direct Payment**: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Accounts (subsection 6.3): every two months

IV. Other Important 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 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 effected. 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 Aissatou Diallo, Senior Finance Officer at LOAAFR@worldbank.org using the above reference.

Yours sincerely,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Aissatou Diallo
Senior Finance Officer
World Bank Group Finance and Accounting

Attachments are filed with the original Disbursement Letter.
Cc with copies:  
  
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Minister of Public Works and Natural Resources  
Ministry of Public Works and Natural Resources  
Sao Tome  
Democratic Republic of São Tomé e Príncipe  

Ministro vilanova@cstome.net  

Eng. Arlindo de Carvalho  
Director General of Environment  
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Cleared by: Sofia Bettencourt, Task Team Leader