HE. Tabu Abdallah Manirakiza
Ministry of Finance, Budget and Privatization
Bujumbura
Republic of Burundi

Excellency:

Re: IDA Grant H710-B1
(Lake Victoria Environmental Management Project II) (Phase II)
Additional Instructions: Disbursement
First Restatement of the Disbursement Letter

I refer to the Financing Agreement between the International Development Association (the "Association") and Republic of Burundi (the "Recipient") for the above-referenced project of even date herewith. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of financing H710-B1 ("Financing"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is the First Restatement of the Disbursement Letter dated September 12, 2011 for the above-referenced project to increase the ceiling of the Designated Account to USD 1 million. All other provisions of the Disbursement letter dated September 12, 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 Financing 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.

1. Disbursement Arrangements
   (i) **Disbursement Methods (section 2).** The following Disbursement Methods may be used under the Financing:
      - Reimbursement
      - Advance
      - Direct Payment
      - Special Commitment
   (ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is 4 months after the Closing Date.
   (iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in Section IV.B of Schedule 2 the Financing Agreement.
II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the Association at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

Banque Mondiale
Avenue de l'Aviation, Boite Postale 2637 Bujumbura - Burundi
Attention: Bella Bird- Country Director

(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 Delta Center-Menengai Road Upper Hill
Nairobi, Kenya
Tel: + 254 20 293
Attention: Finance Operations, Loan Department

(iii) Electronic Delivery (subsection 3.4) The Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association's Client Connection, web-based portal. The option to deliver Applications to the Association 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 devices ("Tokens") from the Association 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 Association agrees, the Association will provide the Recipient with Tokens 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 Association 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 Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens") provided in Attachment [3]; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and 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 Reimbursements is US$ 100,000.
(vi) Advances (sections 5 and 6).

- **Type of Designated Account** (subsection 5.3): Segregated
- **Currency of Designated Account** (subsection 5.4): US$
- **Financial Institution at which the Designated Account Will Be Opened** (subsection 5.5): Banque de la Republique de Burundi (BRB)
- **Ceiling** (subsection 6.1): US$ 1,000,000.00

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 Association's prior review, in the form attached (Attachment 5)
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices and documentary evidence of delivery of contracted goods, works or services) for payments against contracts for:
    - Goods valued at $200,000 or more;
    - Works valued at $500,000 or more;
    - Services of consulting firms valued at $100,000 or more; and
    - Services of individual consultants, subprojects and operating expenses valued at $50,000 or more.
  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures/contracts; 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 5)
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices and documentary evidence of delivery of contracted goods, works or services) for payments against contracts for:
    - Goods valued at $200,000 or more;
    - Works valued at $500,000 or more;
    - Services of consulting firms valued at $100,000 or more; and
    - Services of individual consultants, subprojects and operating expenses valued at $50,000 or more.
  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures/contracts; and

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery of contracted goods, works or services).

(ii) **Frequency of Reporting.** Eligible Expenditures Paid from the Designated Account (subsection 6.3): monthly
(iii) **Other Supporting Documentation Instructions**

- Copies of the bank statement of the Designated Account and a reconciliation statement for this account should be submitted with each application for withdrawal, in the form Attachment 6.
- For payments made with respect to subprojects/sub-grants under Category 5, the name of the beneficiary institution and the date of the sub-grant agreement should be recorded in the Statement of Expenditure in Attachment 4.

V. **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 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 Senior Finance Officer at LOA service account email address LOA-AFR@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Bella Bird

Country Director for Tanzania, Burundi, Malawi and Somalia
Africa Region

Drafted by: Jean Owino (WFALA)
Cleared & concurred by: Stephen Ling (TTL)