September 10, 2013

H.E. Job Graca
Minister of Planning and Territorial Development
Ministry of Planning and Territorial Development
Luanda
Republic of Angola

Excellency:

Re: ANGOLA: Credit Number 4501-AO and 4970-AO - Additional Financing - Water Sector Institutional Development Project
Additional Instructions: First Restatement Disbursement Letter

I refer to the Financing Agreement between the International Development Association (the “Association”) and The Republic of Angola (the “Recipient”) for the above-referenced project, dated October 31, 2012. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of financing 4501-AO and 4970-AO (“Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Letter is a First Restatement of the Disbursement Letter dated October 31, 2012 for the above referenced project.

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.

I. 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 four 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).**
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:

The World Bank  
1818 H Street, N.W.  
Washington D.C. 20433  
USA  
Attention: Ms. Daniela B. Junqueira, Senior Counsel for Angola

(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,  
Kenya Re Towers, 10th Floor,  
Upper Hill, off Ragati Road,  
Nairobi, Kenya  
Tel: 254 20 2983 000.

(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 is:
- IDA 4501-AO: 20% of the amount advanced to the Designated Account
- IDA 4907-AO: US$400,000.

(vi) Advances (sections 5 and 6).

- Type of Designated Account[s] (subsection 5.3): Segregated
- Currency of Designated Account[s] (subsection 5.4): United States Dollars
- Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5): Banco Caixa Geral Totta de Angola (BCGTA).
- Ceiling (subsection 6.1):
  - IDA 4501-AO: The Ceiling for the Designated Account is US$2,300,000. The initial Ceiling shall be limited to US$1,000,000 until the aggregated amount of withdrawals from the Credit Account plus the amount of all outstanding special commitments is equal to or exceeds the equivalent of SDR3,000,000.
  - IDA 4907-AO: The Ceiling for the Designated Account is US$2,300,000.

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 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) and Records evidencing these eligible expenditures (e.g. copies of receipts, suppliers invoices)
  - Statement of Expenditures in the form attached (Attachment 4) for all other expenditures.

- 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 Account (subsection 6.3): Monthly

(iii) Other Supporting Documentation Instructions – Please submit the Designated Account Reconciliation on the form attached (Attachment 6)

IV. 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 Jose Janeiro, Senior Finance Officer at jjaneiro@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Jose C. Janeiro
Senior Finance Officer
Loan Department

Attachments remain valid as provided under the original Disbursement Letter.