Honorable Dr. Philip I. Mpango  
Minister of Finance and Planning  
Ministry of Finance and Planning  
1 Madaraka Street  
P.O Box 9111  
11468 Dar es Salaam  
United Republic of Tanzania

Honorable Minister:

Re: IDA Financing 5860-TZ  
(Additional Financing for Productive Social Safety Net Project)  
Additional Instructions: Disbursement

I refer to the Financing Agreement for Additional Financing between the International Development Association (the “Association”) and the United Republic of Tanzania (the “Recipient”) for the above-referenced project, dated [June 23, 2016]. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of the project preparation advance 5860-TZ (“Financing”). 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 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). Date is 4 months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Association.
II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1). Applications for this Financing will be signed by the official(s) authorized to sign Applications as indicated in your letter Ref. No. TYC/B/40/96 dated June 27, 2011.

(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,
13th Floor, Delta Center
Menengai Road
Upper Hill
P.O. Box 30557-00100
Nairobi, Kenya.
Tel: 254 20 2936 000
Attention: 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 credentials (“SIDC”) 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 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 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 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 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 is 100,000 USD.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated account which had already been opened under the original Credit no.5093-TZ.

- **Currency of Designated Account (subsection 5.4):** USD
-3-

- Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):
  Bank of Tanzania

- Ceiling (subsection 6.1): US$22,000,000

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:
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices and documentary evidence of delivery of contracted goods or services) listed in Statement of Expenditure ("SOE" – Attachment 3A) - for payments against contracts valued at: US$200,000 equivalent or more for works, US$300,000 equivalent or more for goods, US$200,000 equivalent or more for non-consulting services and services of consulting firms, and US$100,000 equivalent or more for individual consultants.
  - Statement of Expenditure in the form attached (Attachment 3B) for all other expenditures/contracts
  - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4)

- For requests for Direct Payment and Special Commitment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and acceptance by Recipient of contracted goods or services.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Monthly

(iii) Other Supporting Documentation Instructions

Copy of the Designated Account bank statement and DA reconciliation statement in the form attached (Attachment 5)

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 Christiaan Nieuwoudt, Finance Officer at loa-afr@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Bella Bird,
Country Director for Tanzania
Africa Region

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
3. Form 3A Statement of Expenditure - with supporting documentation; Form 3B – Statement of Expenditure – without supporting documentation
4. Form of Payments Against Contracts Subject to the Bank’s Prior Review
5. Designated Account Reconciliation Statement

Cc with copies: Ladislaus Joseph Mwamanga
Executive Director
Tanzania Social Action Fund (TASAF)
Malindi Street/ Old Kilwa Road
P.o. Box 9381
DAR ES SALAAM
Email: ladislaus.mwamanga@tasaf.go.tz
Website: www.tasaf.go.tz
Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

March 1, 2013

The World Bank (Bank)\(^1\) will provide secure identification credentials (SIDC) to permit the Borrower\(^2\) to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC) website (https://clientconnection.worldbank.org) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a “SIDC User”.

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1 “Bank” includes IBRD and IDA.
2 “Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. **Use of SIDC**

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.

2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.

3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. **Security**

   4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

   4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

   4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

   4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@hworldbank.org.

   4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. **Reservation of Right to Disable SIDC**

   5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

   5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User’s Account or both.

6. **Care of Physical Tokens**

   6.1. Physical Tokens will remain the property of the Bank.
6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smartphones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. Replacement

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User’s Account.
Statement of Expenditure (SOE) with Supporting Documentation

Payment made during the period from __________ to __________

The following expenditures have been incurred during the retroactive financing period (please tick)

<table>
<thead>
<tr>
<th>Item No</th>
<th>Contractor Name</th>
<th>Description of expenditures (Goods/Works/Services)</th>
<th>Contract Currency</th>
<th>Contract Amount</th>
<th>Is the contract subject to Bank’s prior review?</th>
<th>Amount Paid</th>
<th>Eligible % from Schedule XXX of Loan/Credit/Grant Agreement</th>
<th>WB’s share of Amt Paid in contract currency</th>
<th>Exchange Rate</th>
<th>Amount paid from Designated Account of Borrower</th>
<th>Payment Date</th>
<th>Records evidencing claimed expenses provided (Yes/No)</th>
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We confirm that the reported payments are for eligible expenses, do not relate to any debarred firms or individuals and do not exceed respective contract amounts.

Records for this SOE are retained at [insert location]

A separate form should be used for retroactive financing.
**Statement of Expenditure (SOE) with Supporting Documentation**

**Date:**

**Application No:**

**Loan No:**

**Category No:**

Payment made during the period from _______ to _______

The following expenditures have been incurred during the retroactive financing period (please tick)

Yes  No

The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick)

Yes  No

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Contractor Name</th>
<th>Description of expenditures (Goods/Works/Services)</th>
<th>Contract Currency</th>
<th>Contract Amount</th>
<th>Is the contract subject to Bank's prior review?</th>
<th>Amount Paid</th>
<th>Eligible % from Schedule XX of Loan/Credit/Grant Agreement</th>
<th>WB's share of Amt. Paid (in contract ccy)</th>
<th>Exchange Rate</th>
<th>Amount paid from Designated Account (if applicable)</th>
<th>Payment Date</th>
<th>Records evidencing claimed expenses provided</th>
<th>Remarks or invoice references, including no-objection date</th>
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We confirm that the reported payments are for eligible expenses, do not relate to any debarred firms or individuals and do not exceed respective contract amounts.

Records for this SOE are retained at

(insert location)

A separate form should be used for retroactive financing.
Form of Summary Sheet for Payments Against Contracts Subject to the World Bank's Prior Review

SUMMARY SHEET for Payments made during the period from _____________ to _____________
For expenditures against the contracts subject to the Bank Prior Review

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No. &amp; Description (**)</th>
<th>Currency and Total Amount of Contract</th>
<th>Name of Contractor</th>
<th>Ref. No. of Contract</th>
<th>Date of NOL from World Bank</th>
<th>Invoice No. &amp; date</th>
<th>Currency and Total Amount of Invoice Covered by Application (Net of Retention)</th>
<th>Eligible % from Schedule 1 of Financing Agreement (***</th>
<th>Amount Eligible for Financing ((8 \times 9))</th>
<th>Currency and Amount Paid from Designated Account (if Applicable)</th>
<th>Exchange Rate (Col. 11 divided by Col. 10)</th>
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**TOTALS**

Remarks: ____________________________

Authorized Signatory

Supporting documents for this Application retained at ___________________________________________________________________________

(*): A separate form should be used for retroactive financing

(**): Items should be grouped by category, or alternatively, a separate form may be used for each category

(***): If other donors are financing any part of this expenditure, please exclude amount from this claim and indicate the % or amount financed by this Grant
Designated Account Activity Statement
for the Reporting Period ......

Country: Project Name:
Grant No.:
Bank Name and Account No.:
Currency:

Part I
1. Cumulative advances to end of current reporting period
2. Cumulative expenditures to end of last reporting period
3. Outstanding advances to be accounted (1-2)

Part II
4. Opening DA balance at beginning of reporting period (as of ........).
   Designated Account
   Project Bank account..1
   Total
5. Add/Subtract: Cumulative adjustments, including interest earned, (if any)

6. Advances received from the World Bank during reporting period
7. Net advances received after adjustments (Add 5 and 6)
8. Outstanding advances to be accounted for (4+7)

9. Closing Bank balances at end of current reporting period (as of ........)
   Designated Account
   Project Bank account..1
   Total
10. Cumulative adjustment (if any) for expenditures disbursed as Direct Payments,
    Reimbursements or Special Commitments
11. Expenditures for current reporting period, total from SOE and Summary Sheets
12. Expenditures for current reporting period, total from SOE and Summary Sheet, after adjustments (11 minus 10)
13. Total advance accounted for (Add 9+12)
14. Difference (if any) 8-13
    Remarks on difference

Part III
15. Total Forecasted expenditure for next 3months
    Category 1
    Category 2
    Sub total
16. Less: Closing DA balance after adjustment
<p>| | | | | |</p>
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<td>17.</td>
<td>Less: Direct payments/ SC payments expected (if any)</td>
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<td>18.</td>
<td>Net expenditure forecast from DA (15-16-17)</td>
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<td>19.</td>
<td>Cash requirement from WB for next 3 months (15-18)</td>
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Approved by: