H.E. Aiuba Cuereneia  
Minister of Planning and Development  
Ministry of Planning and Development  
Maputo  
Republic of Mozambique

Excellency:

Re: IDA Financing Credit No. 5290-MOZ (Greater Maputo Water Supply Project)  
Additional Instructions: Disbursement

I refer to the Financing Agreement between the International Development Association (the "Association") and Republic of Mozambique (the "Recipient") for the above-referenced project, dated January 31, 2014. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of financing Credit No. 5290-MOZ ("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). 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:]

...
(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
Contact Telephone number: +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 5; 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 USD 200,000 for the part of the project implemented by FIPAG; USD 30,000 for the part of the project implemented by CRA.

(vi) Advances (sections 5 and 6).

- Type of Designated Account[s] (subsection 5.3): Segregated
- Currency of Designated Account[s] (subsection 5.4): USD
-3-

- Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):
  Designated Account A – FIPAG: a commercial bank acceptable to the Association; Designated Account B – CRA: a commercial bank acceptable to the Association.

- Ceiling (subsection 6.1): Designated Account A – FIPAG: USD 1,000,000; Designated Account B – CRA: USD 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:
  o Records – Statement of Expenditures with Supporting Documentation (Attachment 3A) - evidencing eligible expenditures (e.g. copies of receipts, supplier invoices) for payments against contracts for Goods valued at USD 200,000 equivalent or more, for contracts for Works valued at USD 1,000,000 equivalent or more, for consulting firms contracts valued at USD 100,000 equivalent or more, and for services of individual consultant contracts valued at USD 50,000 equivalent or more, that are subject to the World Bank’s prior review;
  o Statement of Expenditures without Supporting Documentation in the form attached (Attachment 3B) for all other expenditures / contracts, including Operating Costs and Training;
  o List of payment against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 4);

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):
  at least quarterly

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]

Authorized Representative
Mozambique, Angola, São Tomé and Príncipe
Africa Region

Attachments:

1. Attachment 1 - World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Attachment 2 - Form for Authorized Signatures
3. Attachment 3A - “Statements of Expenditure with supporting documentation”. Attachment 3B - “Statement of Expenditure without supporting documentation
4. Attachment 4 - Form of Payments Against Contracts Subject to the Bank’s Prior Review

cc with copies: H.E. Cadmiel Mutemba
Minister
Ministério das Obras Públicas e Habitação
Maputo

H.E. Manuel Chang
Minister
Ministério das Finanças

H.E. Ernesto Gove
Governor
Banco de Moçambique

H.E. Maria Isaltina Lucas
National Director of Treasury
Ministério das Finanças
H.E. Adriano Ubisse  
National Director of Investment and Cooperation  
Ministério da Planificação e Desenvolvimento

H.E. Pedro Paulino  
Director General  
Fundo de Investimento e Património de Água (FIPAG)

H.E. Manuel Alvarinho  
President  
Conselho de Regulação do Abastecimento de Água (CRA)
Attachment 2

Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Re: IDA Financing Credit No. 5290-MOZ
(Greater Maputo Water Supply Project)

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "Association") and [name of Recipient] (the "Recipient"), dated [_______], providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Financing.

For the purpose of delivering Applications to the Association, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

[This confirms that the Recipient is authorizing such persons to accept Tokens and to deliver the Applications and supporting documents to the Association by electronic means. In

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1 Instruction to the Recipient: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the Association.

2 Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the Association.

3 Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the Association.

4 Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the Association.
full recognition that the Association shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in 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"), the Recipient represents and warrants to the Association that it will deliver to each such person a copy of the Terms and Conditions of Use of Tokens and will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position] Specimen Signature: ______________________

[Name], [position] Specimen Signature: ______________________

[Name], [position] Specimen Signature: ______________________

Yours truly,

/ signed /

[Position]

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5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Tokens and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the Association.
### Payments Made during Reporting Period
Against Contracts Subject to the Association's Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB's Share of Amt Paid to Supplier during Period</th>
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</table>
STATEMENT OF EXPENDITURE (SOE)
FORM 3A

Payments made during the period from _____________________ To _____________________

Date: _____________________

For: Expenditures other than those under contracts below SOE documentation thresholds - please refer to the Disbursement for the SOE Thresholds (supporting documentation required - invoices, receipts for all payments made under contracts above SOE thresholds)

Application No.:

IDA Credit No.:

SOE Sheet No.:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No.</th>
<th>Name of Supplier, Contractor or Consultant</th>
<th>Total Amount of Contract (Include all currencies)</th>
<th>Brief Description of Goods, Works or Services</th>
<th>Currency of Expenditure</th>
<th>Total invoice amount covered by this application (net of retention)</th>
<th>Eligible % of Expenditure</th>
<th>Currency and eligible amount paid (7)x(8)</th>
<th>US$ Equivalent paid from Designated Account**</th>
<th>Date of Payment</th>
<th>Exchange Rate*</th>
<th>Remarks</th>
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Note: (*) Items should be grouped by category, or alternatively, a separate SOE form may be used for each category.

(****) If this application is not for replenishment of the Designated Account, leave columns 10 and 12 blank.
STATEMENT OF EXPENDITURE (SOE)
FORM 3B

Payments made during the period from ___________________________ To ________________

Date: ___________________________

For: Expenditures under contracts below SOE documentation thresholds - please refer to the Disbursement Letter for SOE thresholds (no supporting documentation required)

Application No.: ___________________________

IDA Credit No.: ___________________________

SOE Sheet No.: ___________________________

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No.</th>
<th>* Name of Supplier, Contractor or Consultant, Contract reference and date</th>
<th>Total Amount of Contract (Include all currencies)</th>
<th>Brief Description of Goods, Works or Services</th>
<th>Currency of Expenditure</th>
<th>Total invoice amount covered by this application (net of retention)</th>
<th>Eligible % of Financing</th>
<th>Currency and eligible amount paid (7)x(8)</th>
<th>US$ Equivalent paid from Designated Account**</th>
<th>Date of Payment</th>
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Supporting documents for this SOE retained at ____________________________

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

(**) If this application is not for replenishment of the Designated Account, leave columns 10 and 12 blank.
Terms and Conditions of Use of Secure Identification Devices
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

January 20, 2010

The World Bank (Bank)\(^1\) will provide secure identification devices (Tokens) 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.

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 Tokens 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 delivery of Tokens. 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. **Distribution, Initialization and Return of Tokens.**

1. The Bank will physically deliver a Token to each Signatory in a manner to be determined by and satisfactory to the Bank.

2. At the time of delivery of a Token to a Signatory, the Signatory will receive a copy of these Terms and Conditions of Use for purposes of initializing the Token.

3. The Bank will verify that the Token, Temporary Password and Terms and Conditions of Use have been duly delivered to and received by the CC User.

4. Promptly upon receipt of the Token and Terms and Conditions of Use, the Signatory will access CC using his/her account name and CC Password and register his/her Token and set a personal

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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.
identification number (PIN) to be used in connection with the use of his/her Token, after which
the Token will be initialized for use by the Signatory exclusively for purposes of delivering
Applications. Upon initialization of the Token, the Signatory will be a “Token User”. The Bank
will maintain in its database a user account (Account) for each Token User for purposes of
managing the Token of the Token User. Neither the Borrower nor the Token User will have any
access to the Account.

5. Prior to first use of the Token by the Token User for delivering Applications, the Borrower shall
ensure that the Token User has received training materials provided by the Bank in use of the
Token.

6. Tokens shall be promptly returned to the Bank upon request of the Bank.

C. Management of Tokens.

1. Tokens will remain the property of the Bank.

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

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

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

Security

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

4.2. The Token User shall not allow anyone else to utilize a Token to deliver an Application
to the Bank.

4.3. The Token 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 Token User believes a third party has learned his/her PIN or has lost his/her Token
he/she shall immediately notify clientconnection@worldbank.org.

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

Care of Tokens
4.6. 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, Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. 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 Token.

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

5. Replacement

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

5.2. The Bank reserves the right, in its sole discretion, not to replace any Token in the case of misuse, or not to reactivate a Token User’s Account.

6. Reservation of Right to disable Token

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

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