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THE WORLD BANK
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November 7, 2017

H.E. Adriano Maleiane
Minister of Economy and Finance
Ministry of Economy and Finance
Maputo
Republic of Mozambique

Re: IDA Grant D238 -MZ (Mozambique Power Efficiency and Reliability Improvement Project)
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

Excellency:

I refer to the Loan Agreement between the Republic of Mozambique (the "Borrower") and the International Development Association (the "Bank") for the above-referenced project, dated November 7, 2017. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Grant Amounts from the Grant Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may specify Project specific financial reporting requirements.

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I. Disbursement Arrangements, Withdrawal and Reporting of Loan Proceeds

The *Disbursement Guidelines for Investment Project Financing,* dated February 2017, ("Disbursement Guidelines") are available in the Bank's public website at https://www.worldbank.org and its secure website "Client Connection" at https://clientconnection.worldbank.org. The Disbursement Guidelines are an integral part of this DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

***(i)* Disbursement Arrangements**

- ***Instructions*** (Schedule 1). The table provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.
- ***Disbursement Deadline Date, DDD (subsection 3.7).*** The DDD is four (4) months after the Closing Date. Any changes to this date will be notified by the Bank.

***(ii)* Electronic Delivery.** Refer to section 10.01 (c) of the General Conditions.

The Bank may permit the Recipient to electronically deliver applications (with supporting documents) through the Bank's web-based portal (https://clientconnection.worldbank.org) "Client Connection". This option may be effected if the officials designated in writing by the Borrower who are authorized to sign and deliver Applications have registered as users of "Client Connection". The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through "Client Connection". By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. 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, available in the Bank's public website at https://worldbank.org and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits

(i) Financial Reports. The Recipient shall prepare and furnish to the Bank not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports (IFR) for the Project covering the quarter.

(ii) Audits. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website and "Client Connection". The Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank 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, with copy to Juvenia Cohen, Finance Analyst at jcohen@worldbank.org using the above reference.

Yours sincerely,

Mark Lundell

Country Director
Mozambique, Comoros, Madagascar, Mauritius, Seychelles
Africa Region

Attachments

1. Form of Authorized Signatory Letter
2. Interim unaudited Financial Report (IFR)

Cc with copies: Chief Executive Officer
Electricidade de Moçambique
Av. Agostinho Neto nº 70,
CP 2447, Maputo

Schedule 1 : Disbursement Arrangements

Grant Number	**D238**	**Country**	**Mozambique**
		[Borrower] [Beneficiary]	
		Name of the Project	**Power Efficiency and Reliability Improvement Project**

Disbursement Methods *Section 2 (**)*	**Methods Available**	**Supporting Documentation** *Subsections 4.3 and 4.4 (**)*
Direct Payment	Yes	Copy of Records
Reimbursement	Yes	Interim unaudited Financial Report
Designated Account:	Yes	Interim unaudited Financial Report; there will be two designated accounts - one, designated account A for EDM for eligible expenditures related to disbursement category 2 and a second one, designated B for MIREME for eligible expenditures related to disbursement category 1.
Special Commitments	Yes	Copy of Letter of Credit

Type	Segregated	***Ceiling***	Variable
Financial Institution - Name	Banco de Mocambique – for DA A and DA B	***Currency***	USD
Frequency of Reporting, Subsection 6.3 (**)	Same as IFRs: Quarterly	**Amount**	Based on a six month cash-flow forecast as reported in the IFRs; each implementing entity will report separately and directly to the Bank; there will be two separate sets of IFRs, one for each entity

The Minimum Value of Applications for Direct Payment and Special Commitment is the equivalent to 10% of the outstanding advance to the respective Designated Account.

The World Bank, Loan Operations 13th Floor Delta Center Menengai Road Upper Hill P.O. Box 30577-00100 Nairobi Kenya Tel +254202936000.

Interim unaudited Financial Report; there will be two designated accounts - one, designated account A,for EDM for eligible expenditures related to disbursement category 2 and a second one, designated B for MIREME for eligible expenditures related to disbursement category 1.

Not applicable

*** Sections and subsections indicated relate to the* ***Disbursement Guidelines for Investment Project Financing dated February 2017***

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[*DATE*]

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

Attention: Mr. Mark Lundell, *Country Director*

Re: Grant No. D238 -MZ Power Efficiency and Reliability Improvement Project

I refer to the Loan Agreement ("Agreement") between the International Development Association (the "Bank") and the Republic of Mozambique (the "Recipient"), dated _____, providing the above Grant. For the purposes of Section 2.02 of the General Conditions as defined in the Agreement, any [1][one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal [and applications for a special commitment] under this Loan.

For the purpose of delivering Applications to the Bank, including by electronic means, [2][each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting [3][individually] [4][jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

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

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[1] Instruction to the Borrower: 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 Bank.*

[2] Instruction to the Borrower: 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 Bank.*

[3] Instruction to the Borrower: 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 Bank.*

[4] Instruction to the Borrower: 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 Bank.*

[Name], [position]	Specimen Signature: _____
[Name], [position]	Specimen Signature: _____
[Name], [position]	Specimen Signature: _____

Yours truly,

/ signed /

_____

[Position]

Attachment 2 - Interim unaudited Financial Statements

Government of Mozambique: PERIP

Grant # D238-MZ

Payments Made during Reporting Period - Oct 1st to December 31st, 2017

Against Contracts Subject to the Bank's Prior Review

Contract Number	Contract Subject	Supplier	Contract Date	Contract Amount	Date of WB's Non Objection to Contract	Amount Paid to Supplier during Period	WB's Share of Amt Paid to Supplier during Period
						-	-
							-
							-
							-
							-
						-	
TOTAL						-	-

Government of Mozambique: DGM

Grant # D238-MZ

Payments Made during Reporting Period - Oct 1 - Dec. 31, 2017

Summary Statement of DA Expenditures not subject to Prior Review

1	Category 1									-
2	Subtotals of Category 1								-	-
3									-	-
4									-	-
5									-	-
6									-	-
7									-	-
8									-	-
9									-	-
10									-	-
11									-	-
12									-	-
13									-	-
14									-	-
15									-	-
16									-	-
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30									-	-
31									-	-
32									-	-
33									-	-
34									-	-
35									-	-
36									-	-
37									-	-
38									-	-
39									-	-
40									-	-
41									-	-
42									-	-
43									-	-
44									-	-

Government of Mozambique: PERIP
Grant # D238-MZ
Uses of Funds by Project Activity for the Quarter Ending December 31st, 2017 (USD)

Component	Sub-Component	Subcomponent/Activity	Component Name	Quarter xxxx			Acumulated to Date x	
				Real	Plan	Variation	Real	Plan
A	A0.0	[illegible]		-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
B				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
C				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
D				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
E				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
				-	-	-	-	-
							-	
		[illegible]	TOTAL	-	-	-	-	-