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OFFICIAL DOCUMENTS

OCTOBER 18, 2019

H. E. Ilyas Moussa Dawaleh
Minister of Economy and Finance in charge of Industry
Ministry of Economy and Finance in charge of Industry
Djibouti City
Republic of Djibouti

Re: GPE Grant No. TF0B1108
(Global Partnership for Education – Expanding Opportunities for Learning Project)
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Grant Agreement ("Agreement") between the Republic of Djibouti (the "Recipient") and the International Development Association ("Bank"), acting as administrator of Global Partnership for Education Trust Fund ('GPE"), for the above-referenced project, of even date herewith. The Standard Conditions, as defined in the Grant Agreement, provide that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B1108 ("Grant"), and may set out Project specific financial reporting requirements. This letter ("Disbursement and Financial Information Letter"), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The *World Bank Disbursement Guidelines for Projects*, dated February 1, 2017, ("Disbursement Guidelines") are available in the Bank's public website at https://www.worldbank.org, and are an integral part of the Disbursement and Financial Information Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant 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

The table in **Schedule 1** 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 advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01(c) of the Standard Conditions.

The Recipient shall deliver Withdrawal Applications (with supporting documents) electronically through the Bank's web-based portal "Client Connection" at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of "Client Connection". The designated officials shall

deliver Withdrawal 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 Withdrawal Applications and supporting documents to the Bank by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the Bank. By designating officials to use SIDC and deliver the Withdrawal 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 7/ Section 2.07(a) and (b) of the Standard Conditions.

(i) Financial Reports

The Recipient must 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 must 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 must be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's website (http://www.worldbank.org) 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 Withdrawal Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,

By: _____

Marina Wes
Country Director for Djibouti
Middle East & North Africa Region

Attachments:

1. Form of Authorized Signatory Letter.
2. Form of Statement of Expenditure (SOE) for Category 1.
3. Form of Designated Account Reconciliation Statement.
4. Form of DLI payment reconciliation statement.

Schedule 1 - Disbursement Provisions

<table>
<tr><th colspan="6">Basic Information</th></tr>
<tr><td rowspan="3">GPE Grant Number</td><td rowspan="3">TF0B1108</td><td>Country</td><td>Republic of Djibouti</td><td rowspan="2">Closing Date</td><td rowspan="2">Section III.B.4. of Schedule 2 to the Grant Agreement.</td></tr>
<tr><td>Recipient</td><td>Ministry of Economy and Finance in charge of Industry</td></tr>
<tr><td>Name of the Project</td><td>Expanding Opportunities for Learning</td><td>Disbursement Deadline Date
Subsection 3.7
**</td><td>Four months after the closing date.</td></tr>
<tr><th colspan="6">Disbursement Methods and Supporting Documentation</th></tr>
<tr><td colspan="2">Disbursement Methods
Section 2 (**)</td><td>Methods</td><td colspan="3">Supporting Documentation
Subsections 4.3 and 4.4 (**)</td></tr>
<tr><td colspan="2">Direct Payment</td><td>Yes for Category 1</td><td colspan="3">Copy of records</td></tr>
<tr><td colspan="2">Reimbursement</td><td>Yes</td><td colspan="3">• For Category 1: Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL
• Category 2:
o DLI payment Reconciliation Statement in the format provided in Attachment 4 of the DFIL
o Bank notification confirming achievement of the respective DLIs as referred to in the Annex of Schedule 2 of the Grant Agreement</td></tr>
<tr><td colspan="2">Advance</td><td>Yes for Category 1</td><td colspan="3">• Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL
• Designated Account Reconciliation Statement in the format provided in Attachment 3 of the DFIL and copy of its related bank statements</td></tr>
<tr><td colspan="2">Special Commitments</td><td>Yes for Category 1</td><td colspan="3">Copy of Letter of Credit</td></tr>
<tr><th colspan="6">Designated Account (Sections 5 and 6 **)</th></tr>
<tr><td colspan="2">Type</td><td colspan="2">Segregated</td><td>Ceiling</td><td>Fixed</td></tr>
<tr><td colspan="2">Financial Institution – Name</td><td colspan="2">Bank of Africa - Djibouti</td><td>Currency</td><td>USD</td></tr>
<tr><td colspan="2">Frequency of Reporting Subsection 6.3 (**)</td><td colspan="2">Monthly</td><td>Amount</td><td>350,000</td></tr>
<tr><th colspan="6">Minimum Value of Applications (subsection 3.5)</th></tr>
<tr><td colspan="6">The minimum value of applications for Reimbursement, Direct Payment and Special Commitment Issuance Application is equivalent to 20 percent of outstanding Designated Account Advance,
No minimum application amount for Reimbursement under Category 2</td></tr>
<tr><td colspan="6">Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</td></tr>
</table>

Withdrawal and Documentation Applications *(Subsection 3.3 and 3.4 **)*
An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Withdrawal Applications: The World Bank 1818 H Street, N.W. Washington, D.C. 20433 United States of America Attention: _____, Country Director for Djibouti All Withdrawal Applications and its supporting documentation will be electronically sent via the Association's web-portal "Client Connection".
Additional Instructions
For each withdrawal request against Category 2, the amount payable shall be the lesser between the amount allocated for the achievement of one or more DLIs/DLRs and the amount of eligible expenditures by the achievement date of such DLIs/DLRs No withdrawal can be made against Category 1 of the GPE Grant until Category 1 of the IDA financing has been fully disbursed

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

Attachment 1

Form of Authorized Signatory Letter

[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: [Country Director]

Dear [Country Director]:

Re: GPE Grant No. TF0B1108
(Global Partnership for Education – Expanding Opportunities for Learning Project)

I refer to the Grant Agreement ("Agreement") between the Republic of Djibouti (the "Recipient") and the International Development Association ("Bank"), acting as acting as administrator of Global Partnership for Education Trust Fund ('GPE"), dated _____, providing the above Grant. For the purposes of Section 3.04(b) of the Standard Conditions, as defined in the Agreement, any [[1]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 Grant.

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

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[1] Instruction to the Recipient when sending this letter to the Bank: 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 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 Bank.*

[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 Bank.*

[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 Bank.*

[5][This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. In full recognition that the Bank 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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Bank 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 Secure Identification Credentials 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 Bank.*

Attachment 2

Statement of Expenditures (SOE)

Payments made during the period from _____ **to** _____

Date: _____
Application No.: _____
Loan: _____

For expenditures against the contracts not subject to the Bank Prior Review

SOE No.: _____

1	2	3	4	5	6	7	8	9
Item No.	Category No. (**)	Currency and Total Amount of Contract	Currency and Total Amount of Invoice Covered by Application (Net of Retention)	Eligible % from Schedule 1 of Loan/Credit Agreement	Amount Eligible for Financing (4 x 5)	Currency and Amount Paid from Special Account (if Applicable)	Exchange Rate (Col. 7 divided by Col. 6)	Remarks
				TOTALS				

Supporting documents for this SOE retained at _____
(insert location)

(*) A separate SOE form should be used for retroactive financing
(**) Items should be grouped by category; or alternatively, a separate SOE form may be used for each category

Attachment 3

Designated Account Reconciliation Statement

LOAN/CREDIT/PPF/COFINANCIER NUMBER _____
ACCOUNT NUMBER _____ WITH (BANK) _____

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) $ _____

2 LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - $ _____

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2) = $ _____

==========

4. BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE _____ $ _____

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____ + $ _____*

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: _____ + $ _____*

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

APPLICATION NO.	AMOUNT *
_____	_____
_____	_____

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + $ _____

8. MINUS: INTEREST EARNED - $ _____*

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = $ _____

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

_____

_____

11. DATE: _____ SIGNATURE: _____

TITLE: _____

Attachment 4

DLI Payment Reconciliation Statement

TABLE 1: SUMMARY STATEMENT OF ELIGIBLE EXPENDITURES AS OF MM-DD-YY

	NAME	AMOUNT
1	**Budget line Eligible Expenditure Programme**	
2	**Budget line Eligible Expenditure Programme**	
3		
4		
5	**CUMULATIVE ELIGIBLE EXPENDITURES PAID AT THE END OF CURRENT REPORTING PERIOD (line 1 + line 2 + line3 + line 4)**	
6	**CUMULATIVE DLI AMOUNT PAID IN THE PREVIOUS REPORTING PERIOD ***	
7	**DLI PAYMENT REQUEST ****	
8	**TOTAL (line 6 + line 7)**	
9	**ADJUSTED AMOUNT (if line 8 > line 5)**	
10	**AMOUNT PAYABLE (line 7 – line 9)*****	

* *Total of column 2 of Table 2*
** *Total of column 3 of Table 2*
*** *Total of column 4 of Table 2*

TABLE 2: SUMMARY STATEMENT OF DLI STATUS AS OF MM-DD-YY

DLI		Allocation	Cumulative amount paid in the previous report	DLI amount verified in the current report	DLI amount payable in the current report	Cumulative amount paid at the end of the current period
		1	2	3	4	5
DLI#1						
	DLR# 1.1	0				
	DLR# 1.2	0				
DLI#2		0				
DLI#3						
	DLR #3.1	0				
	DLR #3.2	0				
DLI#4						
	DLR #4.1	0				
	DLR #4.2	1,000,000				
	DLR# 4.3	1,000,000				
DLI#5						
	DLR #5.1(a)	0				
	DLR #5.1(b)	0				
	DLR #5.2	0				
	DLR# 5.3(a)	0				
	DLR# 5.3(b)	0				
	DLR #5.4	5000,000				
	DLR# 5.5(a)	0				
	DLR# 5.5(b)	500,000				
DLI#6						
	DLR #6.1	0				
	DLR #6.2	0				
	TOTAL					