H.E. Abdirahman Duale Beileh
Minister of Finance
Ministry of Finance
Villa Somalia
Mogadishu, Somalia

Re: Grant No. TF-A8112 (Somalia Urban Resilience Project)
Additional Instructions: Disbursement Letter

Excellency:

I refer to the Letter Agreement ("Agreement") between the Federal Republic of Somalia ("Recipient"), and the International Development Association ("World Bank"), acting as administrator of the Somalia Multi-Partner Fund ("SMPF"), for the above-referenced project, dated the same date as this letter ("Disbursement Letter"). The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF-A8112 ("Grant"). This Disbursement Letter, as revised from time to time, constitutes the additional instructions.

I. Disbursement Arrangements, Withdrawal and Reporting of Grant Proceeds

The attached World Bank Disbursement Guidelines for Projects, dated February 1, 2017, ("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 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 sets out 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.

- Special Provision. Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited
competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment disbursement methods.

(ii) Electronic Delivery.

The World Bank may permit the Recipient to electronically deliver applications (with supporting documents) through the World Bank’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This option may be effected if the officials designated in writing by the Recipient 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 World Bank by electronic means. The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient. 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 World 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. 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 World 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 Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact George da Silva, acting Finance Officer at gdasilva@worldbank.org, with copy to Sheila Pene, Finance Analyst at spene@worldbank.org using the above reference.

Yours sincerely,

Bella Bird
Country Director, Somalia
Africa Region
Attachments
1. Disbursement Guidelines for Investment Financing Project, dated February 2017
2. Form of Authorized Signatory Letter
3. Statement of Expenditures (SOE)

Cc with copies: [Project Implementing Entity 1]
street address
[city], [country]
[email address]

[Project Implementing Entity 2]
street address
[city], [country]
[email address]
# Schedule 1: Disbursement Arrangements

<table>
<thead>
<tr>
<th>Basic Information</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Grant Number</strong></td>
<td>TF-A8112</td>
</tr>
<tr>
<td><strong>Country</strong></td>
<td>Federal Republic of Somalia</td>
</tr>
<tr>
<td><strong>Recipient</strong></td>
<td>Ministry of Finance and Planning</td>
</tr>
<tr>
<td><strong>Name of the Project</strong></td>
<td>Somalia Urban Resilience Project</td>
</tr>
</tbody>
</table>

## Disbursement Methods and Supporting Documentation

| Direct Payment | Yes | Copy of Records |
| Reimbursement  | Yes | Statement of Expenditure (SOE) as per draft template (attachment 3) |
| Designated Account: | Yes | Statement of Expenditure (SOE) as per draft template (attachment 3) |
| Special Commitments | No | Copy of Letter of Credit |

### Designated Account (Section 5 and 6 **)

<table>
<thead>
<tr>
<th><strong>Type</strong></th>
<th>Segregated DA-A FGS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Segregated DA-B Puntland</td>
</tr>
<tr>
<td><strong>Financial Institution - Name</strong></td>
<td>DA-A - at Central Bank of Somalia (*<strong>&lt;br&gt;DA-B - at Commercial Bank acceptable to the Association (</strong>**)</td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>US Dollar</td>
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<td><strong>Frequency of Reporting, Subsection 6.3 (</strong>)**</td>
<td>Monthly</td>
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<tr>
<td><strong>Amount</strong></td>
<td>DA-A USD 300,000&lt;br&gt;DA-B USD 300,000</td>
</tr>
</tbody>
</table>

### Minimum Value of Applications (subsection 3.5)

The Minimum Value of Applications for Reimbursement, Direct Payment is USD 2,000 equivalent.

### Address for ASL

- The World Bank Office<br>Delta Center, 15 Floor<br>Menengai Road, Upper Hill<br>Nairobi, Kenya<br>Attention: Bella Bird<br>Country Director for Somalia

### Address for applications:

- The World Bank Office<br>Delta Center, 13 Floor<br>Menengai Road, Upper Hill<br>Nairobi, Kenya<br>Attention: WFA Financial Operations<br>Tel: +0254 20 293 6000

### Transfers from the Designated Accounts to project accounts in may occur as necessary for project implementation.

<table>
<thead>
<tr>
<th>**Authorised Signatories (Subsection 3.1 and 3.2 <strong>)</strong></th>
<th>The form for Authorised Signatories letter is provided in Attachment 1 of this letter&lt;br&gt;**Administrative and Documentation Application (Subsection 3.3 and 3.4 <strong>)</strong></th>
</tr>
</thead>
</table>

| **Other** |
| Transfers from the Designated Accounts to project accounts in may occur as necessary for project implementation. |

(***) – DA-A will be operated by the Ministry of Finance, Federal Government of Somalia on behalf of Benadir Regional Administration (BRA)

(****) – DA-B will be open at either East Africa Bank (Djibouti) or First Community Bank Limited (Kenya) and operated by Puntland Ministry of Finance on behalf of Garowe Municipality.

* Select the agreed supporting documentation and add the following "in the format provided in Attachment 2 of this letter" **Sections and subsections indicated relate to the Disbursement Guidelines for Investment Project Financing dated February 2017"
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: Grant No. TF-A8112 Somalia Urban Resilience Project

I refer to the Grant Agreement ("Agreement") between the [International Bank for Reconstruction and Development/International Development Association] ("World Bank"], acting as [an implementing agency of the Global Environmental Facility] [administrator of the Global Partnership on Output-based Aid] [administrator of name of the trust fund], and [name of recipient] (the "Recipient"), dated ______, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard 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 Grant.

For the purpose of delivering Applications to the World Bank, [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 World Bank.

[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to]

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1 Instruction to the Recipient when sending this letter to the World 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 World 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 World 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 World 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 World Bank.
the World Bank by electronic means. In full recognition that the World 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 World Bank that it will cause such persons to abide by those terms and conditions.

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

[Name], [position] Specimen Signature: ______________________

[Name], [position] Specimen Signature: ______________________

[Name], [position] Specimen Signature: ______________________

Yours truly,

/ signed /

[Position]
### IDA - International Development Association

#### Statement of Expenditures

Payment made during the period from [ ] to [ ].

The following expenditures have been incurred during the prospective 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>Supplier's Name</th>
<th>Brief Description of the Expenditure</th>
<th>Prior Review of Contract? (YES or NO)</th>
<th>Contract No. (Client Connection for Prior Review Contracts)</th>
<th>Contract currency and amount (original + amendment)</th>
<th>Invoice number</th>
<th>Date of payment</th>
<th>Total amount of invoice covered by Application (in dollars)</th>
<th>% Financed by the Bank</th>
<th>Eligible Amount (Cal 9 x 10%)</th>
<th>Exchange Rate</th>
<th>Date of withdrawal from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account (Cal 11 + 12)</th>
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**Total** 0.00 0.00 0.00

Supporting documents for this SOE are retained at [insert location].

A separate form should be used for each category.