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

Re: Grant No. TF0A8218- (Domestic Revenue Mobilization and Public Financial Management Capacity Strengthening 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 [illegible]. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant D3700-SO ("Grant"). This letter ("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,

[Signature]

Bella Bird

Country Director for Tanzania, Burundi, Malawi and 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>Grant Number</th>
<th>Federal Republic of Somalia</th>
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<tbody>
<tr>
<td>Recipient</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Name of the Project</td>
<td>Domestic Revenue Mobilization and Public Financial Management Capacity Strengthening Project</td>
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</tbody>
</table>

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<tr>
<th>Disbursement Methods</th>
<th>Methods Available</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2 (**)</td>
<td>***)</td>
<td>Subsections 4.3 and 4.4 (**)</td>
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<tr>
<th>Method</th>
<th>Available</th>
<th>Documentation</th>
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<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records</td>
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<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 3 of the DL</td>
</tr>
<tr>
<td>Designated Account</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 3 of the DL</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>No</td>
<td>Copy of Letter of Credit</td>
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</table>

- **Type**: Segregated DA-A FGS, Segregated DA-B Puntland
- **Currency**: US Dollar
- **Frequency of Reporting, Subsection 6.3 (**)**: At least Monthly
- **Amount**: DA-A USD 500,000, DA-B USD 500,000

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

**Address for ASL**
The World Bank Office
Delta Center, 15 Floor
Menengai Road, Upper Hill
Nairobi, Kenya
Attention: Bella Bird
Country Director for Somalia

**Address for applications**
The World Bank Office
Delta Center, 13 Floor
Menengai Road, Upper Hill
Nairobi, Kenya
Attention: WFA Financial Operations
Tel: +0254 20 293 6000

**The Disbursement Deadline Date is 4 months after the Closing Date specified in the Grant Agreement.**

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

**The Designated Accounts DA-A and DA-B are to be shared with IDA.**

* 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. ____-____ (____________ 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 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]
IDC - International Development Association

Statement of Expenditures

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></th>
<th>Supplier's Name</th>
<th>Brief Description of the expenditure</th>
<th>Prior Review Contract?</th>
<th>Contract # (Grant connection # for Prior Review)</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/Grant of intention</th>
<th>Financed by the Bank</th>
<th>Eligible Amount</th>
<th>Exchange rate</th>
<th>Date of Withdrawal from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account</th>
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ONLY for the Designated Account

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Supporting documents for this SOE are filed at

(insert location)

A separate form should be used for each category.
FOR INTERNAL DISTRIBUTION ONLY

Drafted by: George da Silva – Finance Officer (WFACS)

Cleared with and cc: Edith Ruguru Mwenda – Country Lawyer (LEGAM)
                  Sher Shah Khan – Senior Public-Sector Specialist (TTL) (GGOAP)

Cc: Leonard Mutuku Matheka – Senior Financial Management Specialist (FMS) (GGOAE)