H. E. Mohamed Ali Soilihi  
Vice President in Charge of the Ministry of Finance, Economy, Budget, Investment and Foreign Trade in Charge of Privatization  
B. P. 324  
Moroni  
Comoros

Re: Union of Comoros: Advance Agreement for Preparation of the Proposed Electricity Sector Recovery Project  
Project Preparation Advance No. Q860  
Additional Instructions: First Restatement Disbursement

Excellency:

I refer to the Advance Agreement ("Agreement") between the Republic of Comoros ("Recipient") and the International Development Association ("World Bank") for the preparation of the above-referenced Project of even date, herewith. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Project Preparation Advance Q860 ("PPA"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is a First Restatement of the Disbursement Letter dated June 7, 2013 for the above referenced project to restate Section II (vi) related to the amount of the ceiling. All other provisions of the Disbursement Letter and attachments dated June 7, 2013, except as amended, shall remain in force and effect.

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 PPA 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 PPA:

- Reimbursement
- Advance
- Direct Payment
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Refinancing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.

II. Withdrawal of PPA Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank,
Resident Mission
Antananarivo, Republic of Madagascar
Attention: Ms. Haleh Bridi, Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed applications for withdrawal together with supporting documents, to the address indicated below:

The World Bank
Loan Department
P. O. Box 30577 - 00100
Nairobi, Kenya

(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 credentials (“SIDC”) 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 SIDC 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 SIDC to Process Applications. 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 (“Terms and Conditions of Use of Secure
Identification Credentials") provided in Attachment 3; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of all Applications except for replenishment applications should be USD 20,000 equivalent.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** KMF
- **Financial Institution at which the Designated Account will be opened (subsection 5.5):** BIC, Moroni, Comoros
- **Ceiling (subsection 6.1):** KMF 35,000,000

III. Reporting on Use of PPA 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:**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts requiring the Bank’s prior review as well as all contracts exceeding USD 50,000 for goods; consulting firms and individual consultants.
  - Statement of Expenditure in the form attached (Attachment 4) for all expenditures;

- **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): monthly

(iii) Other Supporting Documentation Instructions: All replenishment requests must be supported by bank statements and Designated Account reconciliation statement.

IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank’s public website at

From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the PPA, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact Mr. Wolfgang M. T. Chadab, Senior Finance Officer, at loa-afr@worldbank.org, using the above reference.

Yours sincerely,

Hach Bridi
Country Director for Comoros
Africa Region