August 27, 2012

H.E. Ilyas Moussa Dawaleh
Ministère de l’Économie et des Finances
Chargé de l’Industrie et de la Planification
B.P. 13
Djibouti City
Republic of Djibouti
Fax: 0.1-253-35 65 01

Excellency:

Re: IDF Grant No. TF096624-DJ (Strengthening Aid Coordination and Management Capacity)
Additional Instructions: Revised Disbursement Letter

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of the Institutional Development Fund, and the Republic of Djibouti (the "Recipient") for the above-referenced project, dated April 21, 2010. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF096624-DJ ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions and replaces the previous version dated April 21, 2010.

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 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

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Reimbursement
- Advance
- Direct Payment
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Grant Agreement.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1).

Applications for this Grant will be signed by the officials authorized to sign Applications as indicated in your letter of October 16, 2010 signed by H.E. Ali Farah Assoweh - Minister of Economy, Finance and Planning, in charge of Privatization.

(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
1818 H Street
Washington, D.C., 20433
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank's Client Connection, web-based portal. The option to deliver Applications to the World Bank 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 devices (“Tokens”) from the World Bank 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 World Bank agrees, the World Bank will provide the Recipient with Tokens 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 World Bank 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 Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.
(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is US$ 10,000.

(vi) Advances (sections 5 and 6).

- Type of Designated Account(s) (subsection 5.3): Segregated
- Currency of Designated Account(s) (subsection 5.4): US dollar
- Financial Institution at which the Designated Account(s) Will Be Opened (subsection 5.5): Banque Centrale de Djibouti.
- Ceiling (subsection 6.1): US$ 50,000

III. Reporting on Use of Grant 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 for goods against contracts valued at US$50,000 or more; for payments for consulting firms against contracts valued at US$100,000 or more; individual consultants against contracts valued at US$50,000 or more;
  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures/contracts.
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5)

- 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

V. 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 Grant, and retrieve related policy, financial, and procurement information.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the World Bank by email at <client:connection@worldbank.org>.

If you have any queries in relation to the above, please contact Hassine Hedda, Finance Officer at hhedda@worldbank.org using the above reference.

Yours sincerely,

Hassine Hedda
Finance Officer
Controller's Vice Presidency - Loan Fiduciary and Controls Division
The World Bank
Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Authorized Signatures Letter sent to the Recipient on October 16, 2010
4. Statement of Expenditures
5. Form of “Payments Against Contracts Subject to the World Bank’s Prior Review”

Prepared by: Hassine Hedda, CTRFC

Cleared with and cc: T. Mpoy-Kamula yi, LEGEM
Guido Rurangwa, MNCA3

Cc with copies: Mr. Simon Mibrathu
Secretary General
Ministry of Economy, Finance and Planning, in charge of Privatization
Djibouti, Republic of Djibouti
(Fax: 011-253-35 50 85)
(Email: simonmibrathu_07@hotmail.com)

Monsieur Almis Mohamed Abdillahi
Director of External Financing
Ministry of Economy, Finance and Planning, in charge of Privatization
Djibouti, Republic of Djibouti
(Fax: 011-253-35 50 85)
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Terms and Conditions of Use of Secure Identification Devices
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

January 20, 2010

The World Bank (Bank)\(^1\) will provide secure identification devices (Tokens) to permit the Borrower\(^2\) to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide Tokens to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC) website (https://clientconnection.worldbank.org) prior to delivery of Tokens. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Distribution, Initialization and Return of Tokens.

1. The Bank will physically deliver a Token to each Signatory in a manner to be determined by and satisfactory to the Bank.

2. At the time of delivery of a Token to a Signatory, the Signatory will receive a copy of these Terms and Conditions of Use for purposes of initializing the Token.

3. The Bank will verify that the Token, Temporary Password and Terms and Conditions of Use have been duly delivered to and received by the CC User.

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\(^1\) "Bank" includes IBRD and IDA.

\(^2\) "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
4. Promptly upon receipt of the Token and Terms and Conditions of Use, the Signatory will access CC using his/her account name and CC Password and register his/her Token and set a personal identification number (PIN) to be used in connection with the use of his/her Token, after which the Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the Token, the Signatory will be a “Token User”. The Bank will maintain in its database a user account (Account) for each Token User for purposes of managing the Token of the Token User. Neither the Borrower nor the Token User will have any access to the Account.

5. Prior to first use of the Token by the Token User for delivering Applications, the Borrower shall ensure that the Token User has received training materials provided by the Bank in use of the Token.

6. Tokens shall be promptly returned to the Bank upon request of the Bank.

C. Management of Tokens.

1. Tokens will remain the property of the Bank.

2. Use of the Token is strictly limited to use in the delivery of Applications by the Token User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the Token is prohibited.

3. The Bank assumes no responsibility or liability whatsoever for any misuse of the Token by the Token User, other representatives of the Borrower, or third parties.

4. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in delivery of a Token to each Token User) that each Token User is provided, understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

**Security**

4.1. The Token User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The Token User shall not allow anyone else to utilize a Token to deliver an Application to the Bank.

4.3. The Token User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the Token User believes a third party has learned his/her PIN or has lost his/her Token he/she shall immediately notify clientconnection@worldbank.org.
5. The Borrower shall immediately notify the Bank at 
clientconnection@worldbank.org, of any lost, stolen or compromised Tokens, and take 
other reasonable steps to ensure such Tokens are disabled immediately.

Care of Tokens

4.6. Tokens contain delicate and sophisticated instrumentation and therefore should be 
handled with due care, and should not be immersed in liquids, exposed to extreme 
temperatures, crushed or bent. Also, Tokens should be kept more than five (5) cm from 
devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-
enabled PDAs, smart phones and other similar devices. Tokens should be carried and 
stored separate from any EMR device. At close range (less than 5 cm), these devices can 
output high levels of EMR that can interfere with the proper operation of electronic 
equipment, including the Token.

4.7 Without derogating from these Terms and Conditions of Use, other 
technical instructions on the proper use and care Tokens are available at 

5. Replacement

5.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Tokens will be 
replaced at the expense of the Borrower.

5.2. The Bank reserves the right, in its sole discretion, not to replace any Token in the 
case of misuse, or not to reactivate a Token User’s Account

6. Reservation of Right to disable Token

6.1. The Borrower shall reserve the right to revoke the authorization of a Token User 
to use a Token for any reason.

6.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently 
disable a Token, de-activate a Token User’s Account or both.
Payments Made during Reporting Period  
Against Contracts Subject to the Bank's Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB's Share of Amt Paid to Supplier during Period</th>
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