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

Re: IDA Grant D378 - SO (Somalia Recurrent Cost and Reform Financing Project-Additional Financing)  
Additional Instructions: Disbursement and Financial Information Letter.

Excellency:

I refer to the Grant Agreement between Federal Republic of Somalia (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced Project. The General Conditions, as defined in the Grant Agreement, provide that the Recipient may from time to time request withdrawals of Grant amounts from the Grant Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Grant Funds, and Reporting of Uses of Grant Funds.


(i) Disbursement Arrangements

- General Provisions (Schedule 1). 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 and/or Special Commitment disbursement methods.

(ii) Electronic Delivery. Section 11.01 (c) of the General Conditions.

The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association’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 Association by electronic means. 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. 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 Association'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.

(i) Financial Reports. The Recipient must prepare and furnish to the Association 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 Association not later than six (6) months after the end of such period.

III. Other Information.

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association's website (http://www.worldbank.org/) and "Client Connection". The Association 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] [Credit], and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Association by email at clientconnection@worldbank.org.

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

Yours sincerely,

[Signature]

Country Director for Tanzania, Burundi, Malawi and Somalia
Africa Region

Attachments
1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
3. Eligible Expenditure Program (EEP)
With copies:
[Ministry of Finance]
[street address]
[city], [country]
[email address]

[Project Implementing Entity 1]
[street address]
[city], [country]
[email address]
<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country</th>
<th>Grant Recipient</th>
<th>Federal Republic of Somalia</th>
<th>Federal Republic of Somalia</th>
<th>Closing Date</th>
<th>Disbursement Deadline Date</th>
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### Disbursement Methods

**Section 2 (**)**

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<thead>
<tr>
<th>Method</th>
<th>Supporting Documentation</th>
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<tbody>
<tr>
<td>Direct Payment</td>
<td>Subsections 4.3 and 4.4 (**)</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Subsections 4.3 and 4.4 (**)</td>
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<tr>
<td>Designated Account</td>
<td>Subsections 4.3 and 4.4 (**)</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Subsections 4.3 and 4.4 (**)</td>
</tr>
</tbody>
</table>

### Financial Institution

- **Name**: DA-A – Existing DA A of the original project
- **Name**: DA-B – Existing DA B of the original project

### Frequency of Reporting

**Subsection 6.3 (**)**

- At least Monthly

### 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 minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 10,000.00 equivalent.

- Transfers from the Designated Accounts to project accounts may occur as necessary for project implementation.
- Designated Account DA-A will be linked to Category 1(b), and DA-B to category 2, and shall be shared with Trust Fund.
- All DLI allocated funds [category 1(a)] will be disbursed through the Reimbursement Method to the Treasury Single Account.

The project shall prepare SOE’s for the full expenditure amount to be claimed, submit to the Task Team for Review. The percentage split of expenditure between the IDA Grant and the Trust Fund will be communicated through a Notification from the Task Team. The withdrawal applications shall then be submitted simultaneously.

**Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.**
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America  

Re: Grant No. D3780-SO (Somalia Recurrent Cost and Reform Financing Project – Additional Financing)  
Attention: ________________________, Country Director  

I refer to the Grant Agreement ("Agreement") between the International Development Association (the "Association")[1] and [name of recipient] (the "Recipient"), dated ______, providing the above [Grant] [Credit]. For the purposes of Section 2.03 of the General 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] [Credit].  

For the purpose of delivering Applications to the Association, including by electronic means, [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 Association.  

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

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1 Instruction to the Recipient: add text in line with the Grant Agreement if applicable; if not applicable delete it. Please delete this footnote in final letter that is sent to the Association.  

2 Instruction to the Recipient: 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 Association.  

3 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 Association.  

4 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 bracket in final letter that is sent to the Association.  

5 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 Association.
[Name], [position] Specimen Signature: ____________________

[Name], [position] Specimen Signature: ____________________

[Name], [position] Specimen Signature: ____________________

Yours truly,

/ signed /

_________________________

[Position]
### Statement of Expenditures

**IDA - International Development Association**

**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/grant (please tick)**

[ ] Yes [ ] No

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**ONLY for the Designated Account**

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Supporting documents for this SOE are retained in:

[insert location]

A separate form should be used for each category.
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