February 16, 2017

H.E. Aiuba Cuereneia
Ministry of Planning and Development
Av. Ahmed S. Toure, 21, 4th floor
Maputo, Mozambique

Excellency:

Re: IDA Credit Number 5546-MZ and IDA Grant Number H994-MZ
(First South West Indian Ocean Fisheries Governance and Shared Growth Project)
First Revised Disbursement Letter dated April 21, 2015
Additional Instructions: Disbursement

I refer to the Financing Agreement between the International Development Association (the “Association”), and the Republic of Mozambique (the “Recipient”) for the above-referenced project, dated April 21, 2015. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of Credit 5546-MZ and Grant H994-MZ (“Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This letter (“Disbursement Letter”), is a first restatement of the Disbursement Letter dated April 21, 2015, restating Section (IV), to amend the categories that are linked to each of the Designated Accounts.

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 Financing 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 Financing:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Association.

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

II. Withdrawal of Grants 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  
Loan Department  
13th Floor  
Delta Center  
Menengai Road  
Upper Hill  
P.O. Box 30577-00100  
Nairobi Kenya  
Tel +254 20 2936 000

(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank  
Loan Department  
13th Floor  
Delta Center  
Menengai Road  
Upper Hill  
P.O. Box 30577-00100  
Nairobi Kenya  
Tel +254 20 2936 000

(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 credentials (“SIDC”) 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 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 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 SIDC to Process Applications.** By designating officials to use SDIC 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 SIDC") 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 Applications is USD 100,000.

(vi) **Advances (sections 5 and 6).**

- **Type of Designated Accounts (subsection 5.3):** Pooled
  - Designated Accounts A and C: IDA Credit and Grant managed by National Implementation Unit at the Ministry of Fisheries

- **Currency of Designated Account (subsection 5.4):** USD

- **Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):** Bank of Mozambique

- **Ceiling (subsection 6.1):** USD 3,500,000

### III. Reporting on Use of Financing 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 Accounts:**
  - Statement of Expenditures with Supporting Documentation (Attachment 4) evidencing eligible expenditures (e.g. copies of receipts, supplier invoices) for payments against contracts for Goods valued at USD 200,000 equivalent or more, for contracts for Works valued at USD 500,000 equivalent or more, for consulting firms contracts valued at USD 100,000 equivalent or more, and for services of individual consultant contracts valued at USD50,000 equivalent or more, that are subject to the World Bank’s prior review; including for all other expenditures / contracts, including Grants for Civil Works Subprojects, Operating Costs and Training;
  - Statements of Expenditures without Supporting Documentation will be customized for Labor Payments (Attachment 4)
  - List of payment 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

IV. **Other Disbursement Instructions**

Disbursements of eligible expenditures will be distributed among the three designated accounts for IDA Credit and Grant, and GEF Grant accordingly to the following percentages:

**For Category 2:**

Designated Account A for IDA Credit and Grant - 68%
Designated Account B for GEF - 32%

**For Category 3:**

Designated Account C for IDA Credit and Grant - 100%

V. **Other Important Information**


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

If you have not already done so, the Association recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, 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 Association by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact the Finance Officer at LOA@worldbank.org using the above reference.
Yours sincerely,

Jose C. Janeiro
Senior Finance Officer for Mozambique
Africa Region