Republic of Mali: Urban Local Government Support Project  
(Credit Number 4966-ML)  
First Amendment to the Disbursement Letter dated July 27, 2011  
Additional Instructions: Disbursement

His Excellency;

I refer to the Financing Agreement (the “Agreement”) between the International Development Association (the “Association”) and the Republic of Madagascar (the “Recipient”) for the above-referenced project of even date herewith. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of Credit 4966-ML (“Financing”). I also refer to the Disbursement Letter dated July 27, 2011, which, constituted the additional instructions.

This Disbursement Letter shall be amended as set forth in this letter (the “First Amendment”) to realign the categories associated with the Designated Accounts.

The instructions set forth in Section II (vi) in the Disbursement Letter dated July 27, 2011 shall be modified as follows:

II. Withdrawal of Financing Proceeds

(vi) Advances (sections 5 and 6).

• Ceiling (subsection 6.1):

Designated Account A: The ceiling for the Designated Account is flexible and will be determined based on cash forecasts as stated in approved Annual Work Plans and Budget, equivalent to 6 months' forecast expenditure that are expected to be made through the Designated Account.

The funds will flow from this account for payment of suppliers and contractors and also to Bamako regional treasury account for activities under Category 7 for Parts 1(b) and 2 and Category 8 for Parts 3 and 4 of the Project.

Designated Account B: The ceiling for this account is flexible and depends on the annual allocation of the combined Performance-based Grants (PBG).
The total disbursements for the year will be equal to the aggregate PUDG award amount as determined by the results of the annual performance assessment and the grant allocation formula. This will be disbursed annually, in six month intervals, in two equal amounts, the first on receipt of the total PBG budget allocation forecast for the year, the second on verification of receipt of the cities' financial accounts for the previous year.

The funds will flow from this account to the regional treasury account of each commune for the activities under Category 7 for Part 1(a) of the Project.

All other instructions and attachments of the original Disbursement Letter which are not expressly modified in accordance with this letter, shall remain in force and effect.

If you have any queries in relation to the above, please contact Faly Diallo, Finance Officer at wfala-afr@worldbank.org using the above reference.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Faly Diallo
Finance Officer
Loan Operations and Trust
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