H.E. Ilyas Moussa Dawaleh  
Minister of Economy and Finance in charge of Industry  
Ministry of Economy and Finance in charge of Industry  
BP 13  
Djibouti City  
Republic of Djibouti

Re: Credit No. 6338-DJ and IDA Grant No. D390-DJ  
(Integrated Slum Upgrading Project)  
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Financing Agreement between Republic of Djibouti (the "Recipient") and International Development Association (the "Association") for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time to time request withdrawals of Credit and Grant amounts from the Credit and Grant Accounts 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 Credit Funds, and Reporting of Uses of Credit and Grant Funds

The Disbursement Guidelines for Investment Project Financing, dated February 2017, ("Disbursement Guidelines") are available in the Association’s public website at https://www.worldbank.org and its secure website “Client Connection” at https://clientconnection.worldbank.org. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the guidelines apply to the Credit is specified below.

(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 Accounts.

- **Special Provision.** Projects in situations of urgent need of assistance or capacity constraints: 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 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 Eric Ranjeva, Finance Officer at eranjeva@worldbank.org, with copy to Georges Tony Abou Rjaily, Finance Analyst at gabourjaily@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Resident Representative for Djibouti
Middle East & North Africa Region

Attachments
1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
3. Designated Account Reconciliation Statement
Schedule 1: Disbursement Provisions

<table>
<thead>
<tr>
<th>Credit/Grant Number</th>
<th>Credit No.</th>
<th>6338-DJ</th>
<th>Grant No.</th>
<th>D390-DJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Republic of Djibouti</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recipient</td>
<td>Ministry of Economy and Finance in charge of Industry</td>
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<tr>
<td>Name of the Project</td>
<td>Integrated Slum Upgrading Project</td>
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<tr>
<td>Disbursement</td>
<td>Four months after the closing date.</td>
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</tbody>
</table>

**Basic Information**

<table>
<thead>
<tr>
<th>Disbursement Methods and Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
</tr>
<tr>
<td>Reimbursement</td>
</tr>
<tr>
<td>Designated Account</td>
</tr>
<tr>
<td></td>
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<tr>
<td>Special Commitments</td>
</tr>
</tbody>
</table>

**Designated Account (Sections 5 and 6)**

<table>
<thead>
<tr>
<th>Type</th>
<th>Segregated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution – Name</td>
<td>Bank Of Africa – Mer Rouge</td>
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<tr>
<td>Frequency of Reporting Subsection 6.3 **</td>
<td>Monthly</td>
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</tbody>
</table>

**Minimum Value of Applications (subsection 3.5)**

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment Issuance is equivalent to 20 percent of the Designated Account outstanding advance.

The above minimum value of applications does not apply to applications subject to the Special Provision as per Paragraph 1.(i) of the present DFIL...

**Authorized Signatures (subsection 3.1, and 3.2 ** )**

The form for Authorized Signatures Letter is provided in Attachment 1 of this letter Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **).

Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 1) 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
Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank
Radnicka Cesta 80/IX
10000 Zagreb, Croatia
Attention: World Bank Group Finance & Accounting (ex-Loan Department)

No withdrawal under Category 1 of the IDA Credit shall be made until all proceeds under the IDA Grant have been fully disbursed.

**Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.**
Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Credit No. 6338-DJ and IDA Grant No. D390-DJ
(Integrated Slum Upgrading Project)

Attention: [Country Director]

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "Association") and Republic of Djibouti (the "Recipient"), dated ______, providing the above Credit and Grant. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any 1[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 Credit and Grant.

For the purpose of delivering Applications to the Association, including by electronic means, 2[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting 3[individually] 4[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

1 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.

2 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.

3 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 footnote in final letter that is sent to the Association.

4 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.
This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position] Specimen Signature: ______________________

[Name], [position] Specimen Signature: ______________________

[Name], [position] Specimen Signature: ______________________

Yours truly,

/ signed /

____________
Statement of Expenditures

Payments made during the period from _____________ to _____________

For expenditures against the contracts not subject to the Bank Prior Review

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No. (**)</th>
<th>Currency and Total Amount of Contract</th>
<th>Currency and Total Amount of Invoice Covered by Application (Net of Retention)</th>
<th>Eligible % from Schedule 1 of Loan/Credit Agreement</th>
<th>Amount Eligible for Financing (4 x 5)</th>
<th>Currency and Amount Paid from Special Account (if Applicable)</th>
<th>Exchange Rate (Col. 7 divided by Col. 6)</th>
<th>Remarks</th>
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</table>

**TOTALS**

Supporting documents for this SOE retained at ____________________________

(insert location)

(*) A separate SOE form should be used for retroactive financing

(**) Items should be grouped by category; or alternatively, a separate SOE form may be used for each category
Bank Statement Reconciliation

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER NUMBER __________
ACCOUNT NUMBER __________ WITH (BANK) __________

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) $ __________

2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - $ __________

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2) = $ __________

4. BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE __________ $ __________

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. __________ + $ __________ *

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: __________ + $ __________ *

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

   APPLICATION NO. AMOUNT *
   __________ __________
   __________ __________

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + $ __________

8. MINUS: INTEREST EARNED - $ __________ *

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = $ __________

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

   ___________________________________________________________________________

11. DATE: ___________ SIGNATURE: ___________

   TITLE: _____________________________________________________________________