H.E. Minister of Economic Affairs and Development
Ministère des Affaires Économiques et du Développement
BP 238
Nouakchott,
Islamic Republic of Mauritania

Re: IDA Credit No. 5272-MR, Grant no. H861-MR (Local Government Development Project)
Additional Instructions: Disbursement

Excellency:

I refer to the Financing Agreement ("Agreement") between the International Development Association ("Association"), and the Islamic Republic of Mauritania (the "Recipient") for the above-referenced project, dated June 24, 2013. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Financing No. 5272-MR and No.H861-MR (Financing”). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This disbursement Letter is the Third Restatement of the Disbursement Letter dated June 24, 2013 for the above reference project to restate Section II (vi) to change the Financial Institution at which the Designated Account (DA-C) will be opened and Section II (iii) & (iv) to update the requirements for the electronic submission of the withdrawal applications. All other provisions and attachments of the Original Disbursement Letter and previous amendments, except as amended, shall remain in force and effect.

The attached Disbursement Guidelines for Investment Project Financing, dated February 2017, ("Disbursement Guidelines"), 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
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 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 Conditions in the Financing Agreement, Schedule 2, Section IV B.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1). Applications for this Financing will be signed by the official(s) authorized to sign Applications as indicated in your letter of 10 June 2016 or any amendments thereto.

(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 Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association’s Client Connection, web-based portal. The option to deliver Applications to the Association 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 Association 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 Association agrees, the Association 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 Association 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 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 ("Terms and Conditions of Use of Secure Identification Credentials") 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 twenty percent (20%) of the Designated Account Ceiling.

(vi) Advances (sections 5 and 6).

- Type of Designated Account (subsection 5.3): Three Segregated Designated Accounts
  
  o Designated Account A (DA-A) for eligible expenditure under category 1 pursuant to Section IV of Schedule 2 of the Financing Agreement (IDA H8610)
  
  o Designated Account A (DA-B) for eligible expenditure under category 2 pursuant to Section IV of Schedule 2 of the Financing Agreement (IDA H8610)
  
  o Designated Account A (DA-C) for eligible expenditure under category 2 pursuant to Section IV of Schedule 2 of the Financing Agreement (IDA 52720)

- Currency of Designated Account (subsection 5.4): USD

- Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):
  
  o DA-A : Banque Centrale de la République Islamique de Mauritanie
  
  o DA-B : Banque Nationale de Mauritanie (BNM)
  
  o DA-C : Banque Populaire de Mauritanie (BPM)


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 expenditures paid from the Designated Account:
  
  o Interim Financial Report in the form attached; and
  
  o List of payments against contracts that are subject to the Association's prior review.

- For requests for Direct Payment (to be made only under exceptional basis): records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and the Recipient’s acceptance of contracted goods or services.
For requests for Special commitments:

- Letter of credit
- Copy of the contract

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Accounts (subsection 6.3): the period set out in the Agreement for provision of Interim Financial Reports

(iii) Other Supporting Documentation Instructions

Eligible Expenditures financed under disbursement category 1 of the Grant agreement are the actual payments made for Goods, Works, non-consulting services and consultants’ services, through Conditional Performance Grants. The financing percentage will be applied to actual expenditures reported.

IV. Other Important Information


From 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 Faly Diallo, Finance Officer at fdiallo1@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Faly Diallo
Finance Officer