

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION



TF 011206

(202) 473-1000
Cable Address: INTBAFRAD
Cable Address: INDEVAS

June 26, 2013

His Excellency Aiuba Cuereneia
Minister of Planning and Development
Ministry of Planning and Development
Caixa Postal 4087, 21 Av. Ahmed Sekou Touré, 4th floor
Maputo, Republic of Mozambique

Republic of Mozambique: Grant No. TF011206
Grant Agreement for Readiness Preparation Proposal Readiness Fund of the FCPF
And
Second Grant Agreement for Mozambique Readiness Preparation Proposal
Readiness Fund of the FCPF
Additional Instructions: Disbursement
Amendment to the Original Disbursement Letter

Dear Sir:

I refer to the Letter Agreement (“Agreement”) between the Republic of Mozambique (“Recipient”) and the International Bank for Reconstruction and Development (“World Bank”), acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility (“FCPF”), dated January 25, 2012, (“Readiness Grant Agreement”) and to the Second Grant Agreement (“Second Grant Agreement”) between the Recipient and the World Bank, dated June 26, 2013 (collectively “the Grant Agreements”). The Readiness Grant Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of TF011206 (“Grant”). This letter (“Disbursement Letter”), as amended herein, and shall be revised from time to time, constitutes the additional instructions, and will also apply to the Second Grant Agreement.

This letter is the first amendment to the Disbursement Letter (“Original Disbursement Letter”) dated January 25, 2012, for the above referenced Grant, restating Section II (vi) to increase the DA ceiling to USD 700,000 and restating the SOE threshold to USD 300,000 under section III (i) and restating the minimum application size to USD 300,000 under section II (v) in accordance to the terms and conditions under the Grant Agreements. All other provisions and attachments of the Original Disbursement Letter dated January 25, 2012, except as amended, shall remain in force and effect.

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 Grant 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 Grant:

- Reimbursement
- Advance
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is two (2) months after the Closing Date specified in the Grant Agreements. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Grant Agreements.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1).

A letter 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
1818 H Street, N.W.
Washington, DC 20433
United State of America
Attention: C. Felipe Jaramillo, Director

(ii) 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,
Loan Department,
P. O. Box 30577 – 00100
Nairobi,
Kenya

(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"); 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 for Direct Payments or Reimbursement is US\$300,000

(vi) Advances (sections 5 and 6)

- ***Type of Designated Account (subsection 5.3):*** Segregated
- ***Currency of Designated Account (subsection 5.4):*** US Dollars.
- ***Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):*** Banco Industrial, S.A.
- ***Ceiling (subsection 6.1):*** US\$700,000

III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- ***For requests for Reimbursement:***
 - Summary Statement of Expenditures with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments valued at US\$300,000 or more;
 - Custom Statement of Expenditures for Public Promotion Activities; and
 - Statement of Expenditures for all other payments.
- ***For reporting eligible expenditures paid from the Designated Account:***
 - Summary Statement of Expenditures with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments valued at US\$300,000 or more;
 - Custom Statement of Expenditures for Public Promotion Activities;
 - Statement of Expenditures for all other payments; and
 - Designated Account Activity Statement, and a copy of the Designated Account bank statement.
- ***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): Quarterly

IV. Other Important Information


For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

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

If you have any queries in relation to the above, please contact World Bank Loan Department by email loa-tf@worldbank.org and using the TF number and project name as reference.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
(Acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility)

By 

Laurence C. Clarke
Country Director for Mozambique
Africa Region

Attachments:

All Attachments are part of the Original Disbursement Letter