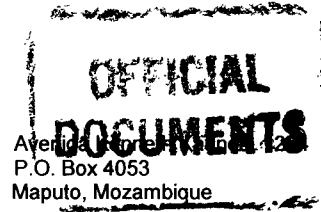


**The World Bank**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION



Tel: (258-21) 482300  
Fax: (258-21) 492893

May 5, 2016

His Excellency Adriano Afonso Maleiane  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Maputo  
Republic of Mozambique

Excellency:

***Republic of Mozambique: Mozambique: Forest Investment Program Preparation Project  
Grant No. TF 0A2210  
Additional Instructions: Disbursement***

I refer to the Letter Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”), acting as Implementing Entity for the Forest Investment Program (“FIP”) under the Strategic Climate Fund (“SCF”) and the Republic of Mozambique (the “Recipient”) for the above-referenced project, dated May 5, 2016. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0A2210 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

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 4 months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

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

**II. Withdrawal of Grant 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  
Caixa Postal 4053  
Maputo, Mozambique  
Attention: Mark Lundell, *Country Director*

**(ii) Applications (subsections 3.2 - 3.3).** Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank  
Loan Department  
13<sup>th</sup> Floor  
Delta Center  
Menengai Road  
Upper Hill  
P.O.Box 30577-00100  
Nairobi Kenya  
Tel +254 20 293 6000

**(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 devices ("Tokens") 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 Tokens 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 Tokens to Process Applications.** By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Tokens") provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and 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 US\$ 20,000 for Direct Payment and Reimbursement.

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

- **Type of Designated Account (subsection 5.3):** Segregated for this Grant as well as funds from Grant TF0A1726. The Designated Account for this Grant, will be Account "B", which has already been opened under the Grant Agreement for TF0A1726.
- **Currency of Designated Account (subsection 5.4):** United States Dollars

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):**  
Central Bank of Mozambique
- **Ceiling (subsection 6.1):** forecast for 2 quarters as provided in the quarterly Interim Financial Report

### 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 and for reporting expenditures paid from the Designated Account:**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts requiring the Bank's prior review as well as all contracts exceeding USD 500,000 for goods and works; USD 200,000 for consulting firms and USD 100,000 for individual consultants,
  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 4)
  - Statement of Expenditure in the form attached (Attachment 5) for all expenditures
- **For requests for Direct Payment:** 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

**(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** monthly

### 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](mailto:clientconnection@worldbank.org).

If you have any queries in relation to the above, please contact Finance Officer at [wfafo\\_afr@worldbank.org](mailto:wfafo_afr@worldbank.org) using the above reference.

Sincerely,



Mark Lundell  
Country Director  
Mozambique, Comoros, Madagascar, Mauritius and Seychelles  
Africa Region

Attachments

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
3. *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated January 20, 2010
4. Form of "SOE" – Statement of Expenditure
5. Form of Payments Against Contracts Subject to the World Bank's Prior Review
6. Form of Designated Account Reconciliation/Activity Statement

Author of the letter: George da Silva, Finance Analyst

Cleared with and cc: Luis Schwarz, Senior Finance Officer

Luz Meza Bartrina, Country Lawyer

Andre Aquino / Karin Kaechele, Task Team Leader

Cc with copies: [Project Implementing Entity 1]

[street address]

[city], [country]

[email address]

[Project Implementing Entity 2]

[street address]

[city], [country]

[email address]

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

[DATE]

The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Attention: Mark Lundell, Country Director

Dear Mr. Lundell:

**Re: Mozambique: FCPF Readiness Grant No. TF0A2210**

I refer to the Grant Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”), acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility, and the Republic of Mozambique (the “Recipient”), dated \_\_\_\_\_, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any <sup>1</sup>[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 Grant.

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

<sup>5</sup>[This confirms that the Recipient is authorizing such persons to accept Tokens and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties,

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<sup>1</sup> Instruction to the Recipient when sending this letter to the World Bank: 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 World Bank.*

<sup>2</sup> 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 World Bank.*

<sup>3</sup> 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 World Bank.*

<sup>4</sup> 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 World Bank.*

<sup>5</sup> Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Tokens and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the World Bank.*

including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Tokens"), the Recipient represents and warrants to the World Bank that it will deliver to each such person a copy of the Terms and Conditions of Use of Tokens and will cause such persons to abide by those terms and conditions.]

**This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.**

[Name], [position]      Specimen Signature: \_\_\_\_\_

[Name], [position]      Specimen Signature: \_\_\_\_\_

[Name], [position]      Specimen Signature: \_\_\_\_\_

Yours truly,

/ signed/

\_\_\_\_\_  
[Position]

**Terms and Conditions of Use of Secure Identification Credentials  
in connection with Use of Electronic Means  
to Process Applications  
and Supporting Documentation**

March 1, 2013

The World Bank (Bank)<sup>1</sup> will provide secure identification credentials (SIDC) to permit the Borrower<sup>2</sup> to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

**A. Identification of Users.**

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.
2. Each Signatory must register as a user on the Bank's Client Connection (CC) website (<https://clientconnection.worldbank.org>) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

**B. Initialization of SIDC.**

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

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<sup>1</sup> "Bank" includes IBRD and IDA.

<sup>2</sup> "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

**C. Use of SIDC.**

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.
2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.
3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:
  4. ***Security***
    - 4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.
    - 4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.
    - 4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.
    - 4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org).
    - 4.5. The Borrower shall immediately notify the Bank at [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org) of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.
5. ***Reservation of Right to Disable SIDC***
  - 5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.
  - 5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.
6. ***Care of Physical Tokens***
  - 6.1. Physical Tokens will remain the property of the Bank.
  - 6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.
  - 6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme



temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at <http://www.rsa.com>.

## 7.

### *Replacement*

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.



**Republic of Mozambique: FCPF**

[Redacted Box]

**Summary Statement of DA Expenditures not subject to Prior Review**

IDA Credit No. (as approp)

Quarter Ending .....

Disbursement Category (col. 1)	Sources of Supply (col. 2)	Country of foreign Supplier (col. 3)	Total Exp. (col. 4)	% IDA (col. 5)	Eligible for Bank financing (col. 6)=(col.4)*	IDA share paid from DA (col.7)
Category 1						
Category 2						
(3) Part 3						
...						
<b>Grand Total</b>						

**Republic of Mozambique : FCPF**  
**World Bank IDA TF No :**  
**Consolidated Sources and Uses of Funds and Cash Forecast - for the Quarter Ending ..... (USD)**

	Quarter			Cumulative			Planned Forecast Next 6 months	
	Actual	Planned	Variance	Actual	Planned	Variance	Original Planned	Revised Planned
<b>Opening Balance</b>								
IDA - Designated Account								
Funds in the CUT								
<b>Total</b>								
<b>Add: Source of Funds (received during period)</b>								
IDA - Designated Account								
<b>Total Cash Available</b>								
<b>Less:</b>								
<b>Uses of Funds</b>								
Category 1- ...								
Category 2- ...								
Category 3- ...								
(b) Operating Costs.								
<b>Total Expenditure</b>								
<b>Cash Available less Expenditure</b>								
<b>Closing Balance</b>								
IDA - Designated Account								
CUT								
<b>Total Closing Balance</b>								

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**NOTES**

The Following rates were used for conversion:

- a) Opening Balance of Designated Account in Quarter ..... US\$ = MTn .....
- b) Funds received and expended converted at the rate of exchange ruling on the date of the transaction ..... US\$ = MTn .....
- c) Closing balance of the Designated Account in Quarter ..... US\$ = MTn .....

Government of Mozambique : REDD Project  
 World Bank TF :  
 Use of funds by project Activity for the Quarter Ending ..... (USD)

	DESCRIPTION OF ACTIVITIES	Quarter			Cumulative			% of Planned Total Cost	Total Planned Cost (Whole Project)	Total Revised	Comments
		Actual	Planned	Variance	Actual	Planned	Variance				
Component	Name										
	<i>Total</i>										
Component 2	Name										
	<i>Total</i>										
Component 3											
	<i>Total</i>										
	<b>Total Project Expenditure</b>										

Page 1

Notes : a) The exchange rates applicable to planned expenditures is ....MTI/US\$. Actual expenditures and foreign currency payments are translated to Pula at the rates in effect on the dates of the transactions.  
 b) The items under "Project component/Activity" are those agreed with World Bank at the time of the project appraisal and as stated in the PAD.

Payments Made during Reporting Period Against Contracts Subject to the Bank's Prior Review

<b>Contract Number</b>	<b>Supplier</b>	<b>Contract Date</b>	<b>Contract Amount</b>	<b>Date of WB's Non Objection to Contract</b>	<b>Amount Paid to Supplier during Period</b>	<b>WB's Share of Amt Paid to Supplier during Period</b>