

OFFICIAL DOCUMENTS

CR5778-TZ

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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June 28, 2016

Honorable Dr. Philip I. Mpango
Minister for Finance
Ministry of Finance and Planning
1 Madaraka Street
P.O Box 9111
11468 Dar es Salaam
The United Republic of Tanzania

Honorable Minister:

**Re: IDA Financing Credit 5778-TZ
(Citizen-Centric Judicial Modernization and Justice Service Delivery Project)
Additional Instructions: Disbursement**

I refer to the Financing Agreement between the International Development Association (the "Association") and the United Republic of Tanzania (the "Recipient") for the above-referenced project, dated June 28, 2016. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of the Credit 5778-TZ ("Financing"). 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 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
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). 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 Withdrawal Condition in the Credit Agreement under Schedule 2 section IV paragraph B.1.

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 Ref. No. TYC/B/40/96 dated June 27, 2011.

(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 30557-00100
 Nairobi Kenya
 Tel +254 20 2936 000
 Attention: Loan Department

(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 2; 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 USD 200,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated to be managed by the Judiciary
- **Currency of Designated Account (subsection 5.4):** US Dollars
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):**
Bank of Tanzania
- **Ceiling (subsection 6.1):** Forecast for 2 quarters as provided in the quarterly Interim Financial Report (attachment 3)

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 eligible expenditures paid from the Designated Account:**
 - Interim Financial Report in the form attached (Attachment 3); and
 - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4)
- **For requests for Direct Payment and Special Commitment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and acceptance by Recipient of contracted goods or services.

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

IV. Other Disbursement Instructions

The Designated Account (DA) will be managed by the Judiciary. Funds may be transferred into a project (operational) account opened in the Bank of Tanzania and denominated in Tanzania Shillings (TZS) for payment of project eligible expenditures in local currency. The project account will be reported on and its balances will be consolidated into the DA balance with each replenishment Withdrawal Application for the DA.

V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Association’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.

From the 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 Christiaan Nieuwoudt, Finance Officer at the Loan Department service account loa@worldbank.org using the above reference.

Yours sincerely,



Bella Bird

Country Director for Tanzania, Burundi, Malawi & Somalia
Africa Region

Attachments

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 1, 2013
3. Form of "IFRs"
4. Form of Payments Against Contracts Subject to the Bank's Prior Review

**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)¹ will provide secure identification credentials (SIDC) to permit the Borrower² 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

¹ "Bank" includes IBRD and IDA.

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

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.

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.

4.5. The Borrower shall immediately notify the Bank at 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.

UNITED REPUBLIC OF TANZANIA
 Ministry:
 Project:
 SUMMARY STATEMENT OF SOURCES AND USES OF FUNDS

Currency: USD

Sources of Fund	Quarter ending 30th June 2009			Cummulative for Financial Year End			Requirements: Next Six months
	Actual	Planned	Variance	Actual	Planned	Variance	
Opening Cash Balance							
USD-Designated account							
al Account							
ers							
al							
Receipts							
USD-Designated account							
ers							
al Financing							
Expenditure by Category:							
Closing Balances							
USD-Designated account							
al Account							
ers							
al Closing Cash Balance							

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UNITED REPUBLIC OF TANZANIA

Ministry:

Project:

Designated Account Expenditure for Contracts subject to Prior Review

for the quarter ending.....

Disbursement Cat/Subcat. <u>(col 1)</u>	Name & Address of Contractor Contract Reference Signing date <u>(col 2)</u>	Contract Currency and Value <u>(col 3)</u>	Invoiced Amounts by Currency <u>(col 4)</u>	% Financed by IDA <u>(col 5)</u>	Eligible for Bank's Financing Contracts Currency <u>(col 6)</u>	Total Amount Paid from DA <u>(col 7)</u>	Invoice Date Number Contract Balance carried forward <u>(col 8)</u>
Works							
			TOTAL				
Goods							
			TOTAL				
Consultant Services							
			TOTAL				
			GRAND TOTAL				

Notes:

- 1
- 2
- 3

Prepared By:

Approved By:

UNITED REPUBLIC OF TANZANIA

Ministry:

Project:

Designated Account (DA) Activity Statement

for the quarter ending.....

Project Name:

Credit No:

Deposit Bank:

A/C No.

Currency of DA

USD

PART I

- | | | |
|--|--|--|
| 1. Cumulative advances to end of current reporting period | | |
| 2. Cumulative expenditures to end of last reporting period | | |
| 3. Outstanding Advance to be accounted (line 1 minus line 2) | | |

PART II

- | | | |
|--|--|--|
| 4. Opening DA balance at beginning of reporting period (as of) | | |
| 5. Add/subtract: Cumulative adjustments (if any) | | |
| 6. Advances from World Bank during reporting period | | |
| 7. Add lines 5 and 6 | | |
| 8. Outstanding advances to be accounted for (add line 4 and line 7) | | |
| 9. Closing DA balance at end of current reporting period (as of ...) | | |
| 10. Add/subtract: Cumulative adjustments (if any) | | |
| 11. Expenditures for current reporting period | | |
| 12. Add line 10 and 11 | | |
| 13. Add line 9 and 12 | | |
| 14. Difference (if any) (line 8 minus line 13) | | |

PART III

- | | | |
|---|--|--|
| 15. Total forecasted amount to be paid by World Bank | | |
| 16. Less: Closing DA balance after adjustments | | |
| 17. Direct payments/SC payments | | |
| 18. Add lines 16 and 17 | | |
| 19. Cash requirement from World Bank for next two reporting period (lines 15 minus line 18) | | |

Notes:

- 1
- 2
- 3

Prepared By:

Approved By:

UNITED REPUBLIC OF TANZANIA

Ministry:

Project:

**Uses of Funds by Component
for the quarter ending :**

Project Component	Quarter ending :			Cummulative for Financial Year End			Explanation of Variance	PAD /Life of Project 2 years
	Actual	Planned	Variance	Actual	Planned	Variance		
Component 1 -								
Sub component 1.1								
Sub component 1.2								
Sub component 1.3								
Component 2 -								
Sub component 2.1								
Sub component 2.2								
Component 3 -								
Component 4 -								
Component 5 -								
Component 6 -								
Total		-						-
Grand Total Uses of Funds by Component								

Notes:

- 1
- 2
- 3

Prepared By:

Approved By:

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

Contract Number	Supplier	Contract Date	Contract Amount	Date of WB's No-Objection to Contract	Amount Paid to Supplier during Period	WB's Share of Amount Paid to Supplier during Period