

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

**Re: IDA Credit 7259-DJ (Djibouti Affordable Housing Finance)  
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Financing Agreement between REPUBLIC OF DJIBOUTI (“Recipient”) and the International Development Association (“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<sup>1</sup> amounts from the Credit Account<sup>2</sup> 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 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 Disbursement 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 signatories, processing of Withdrawal Applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account(s).

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<sup>1</sup> “Financing” means: (a) the Credit if the Financing Agreement provides for a Credit only; (b) the Grant if the Financing Agreement provides for a Grant only; or both the Credit and the Grant if the Financing Agreement provides for both a Credit and a Grant.

<sup>2</sup> “Financing Account” means: (a) the Credit Account if the Financing Agreement provides for a Credit only; (b) the Grant Account if the Financing Agreement provides for a Grant only; or (c) the Credit Account in respect of the Credit and the Grant Account in respect of the Grant if the Financing Agreement provides for a Credit and a Grant.

**(ii) *Withdrawal Applications Electronic Delivery***<sup>3</sup>

The Recipient shall deliver Withdrawal Applications (with supporting documents, “Applications”) electronically through the Association’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effected after 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 shall 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 exercise the option of preparing and delivering Applications in paperform on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the Association. 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://www.worldbank.org> and “Client Connection”; and (b) to cause such officials to abide by those terms and conditions.

**II. Financial Reports and Audits**<sup>4</sup>

**(i) *Financial Reports***

The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports (“IFRs”) for the Project covering the quarter..

**(ii) *Audits.***

Each audit of the Financial Statements shall 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 shall be furnished to the Association not later than six (6) months after the end of such period.

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<sup>3</sup> Section 11.01 (c) of the General Conditions.

<sup>4</sup> Section 5.09 of the General Conditions.

### III. Other Important Information.

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association's public website 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, or if you have any queries in relation to the above, please contact the Association by email at [askloans@worldbank.org](mailto:askloans@worldbank.org) using the above reference.

Yours sincerely,



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Name: Janette Uhlmann  
Acting Country Director  
Djibouti  
Middle East and North Africa Region

#### Attachments

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)
3. Form of Designated Account Reconciliation Statement

## Schedule 1 : Disbursement Provisions

A. Basic Information					
Credit Number	7259-DJ	Country	REPUBLIC OF DJIBOUTI	Closing Date	Section III.B.3. of Schedule 2 to the Financing Agreement
		Recipient	Ministry of Economy and Finance		
		Name of the Project	Djibouti Affordable Housing Finance	Disbursement Deadline Date <sup>5</sup>	Four (4) months after the closing date
B. Disbursement Methods and Supporting Documentation					
Disbursement Methods <sup>6</sup>		Methods	Supporting Documentation <sup>7</sup>		
Direct Payment		Yes	Records (Supplier Invoices/Copy of Receipts)		
Reimbursement		Yes	Statement of Expenditure, in the format provided in Attachment 2 of the DFIL		
Advance (into a Designated Account)		Yes except Category 1	Statement of Expenditure, in the format provided in Attachment 2 of the DFIL Designated Account Reconciliation Statement in the format provided in Attachment 3 of the DFIL		
Special Commitments		Yes	Copy of Letter of Credit		
C. Designated Account(s) <sup>8</sup>					
Type and Management Unit	Segregated		Ceiling	Fixed	
Financial Institution – Name	Banque pour le Commerce et de l'Industrie		Currency	USD	
Frequency of Reporting <sup>9</sup>	Monthly		Amount	700,000	
D. Minimum Value of Applications <sup>10</sup>					
The minimum value of applications for Direct Payment, Reimbursement, Special Commitment Issuance-Application is twenty (20) percent of the outstanding advance.					
E. Authorized Signatures <sup>11</sup> Withdrawal and Documentation Applications <sup>12</sup>					
The form for Authorized Signatory Letter is provided in Attachment 1 of this letter.					
All Applications and its supporting documentation, and Authorized Signatory Letter shall be electronically sent via the Bank's system "Client Connection".					
F. Additional Instructions					

*For notes in Schedule 1: Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.*

<sup>5</sup> Subsection 3.7

<sup>6</sup> Section 2

<sup>7</sup> Subsections 4.3 and 4.4

<sup>8</sup> Sections 5 and 6

<sup>9</sup> Subsection 6.3

<sup>10</sup> subsection 3.5

<sup>11</sup> Subsection 3.1 and 3.2

<sup>12</sup> Subsection 3.3 and 3.4

Payments under Category 1 shall be made through Direct Payment method irrespective of the withdrawal application amount.  
No line of credit expenditure under Category 2 shall be deemed eligible until payment to eligible LMIH beneficiaries. Any outstanding amount at the Selected Financial Institutions shall be reflected in the Designated Account Reconciliation Statement. Small grant subsidies shall be paid directly to ARULOS or SIAF.

**Attachment 1 – 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

Attention: [Country Director]<sup>1</sup>**Dear [Country Director]:****Re: IDA CreditNo. 7259-DJ Djibouti Affordable Housing Finance**

I refer to the [Credit] [Grant] Agreement (“Agreement”) between the International Development Association (“Association”)[, acting as implementing of the]<sup>2</sup> and [name of recipient] (“Recipient”), providing the above [Credit] [Grant]. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any <sup>3</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign Withdrawal Applications (“Application”) [and applications for a special commitment] under this [Credit] [Grant].

For the purpose of delivering Applications to the Association, including by electronic means, <sup>4</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting <sup>5</sup>[individually] <sup>6</sup>[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to*

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<sup>1</sup> Instruction to Bank staff: please forward this letter to Country Lawyer for further processing (Recipient: please do not delete this note).

<sup>2</sup> Instruction to the Recipient: add text in line with the Grant Agreement if applicable; if not applicable delete it. *Please delete this footnote in final letter that is sent to the Associations*

<sup>3</sup> 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.*

<sup>4</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 Association.*

<sup>5</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 Association.*

<sup>6</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 Association.*

*Process Applications and Supporting Documentation* (“Terms and Conditions of Use of SIDC”), the Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.

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 /

\_\_\_\_\_



**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) = \$ \_\_\_\_\_

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- 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

<u>APPLICATION NO.</u>	<u>AMOUNT</u> *
_____	_____
_____	_____

- 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: \_\_\_\_\_