January 9, 2014

H. E. Aiuba Cuereneia
Minister of Planning and Development
Ministry of Planning and Development
Maputo
Republic of Mozambique

Excellency:

Re: Republic of Mozambique: EITI – MDTF Grant No. TF015142
Mozambique Phase III: EITI Implementation Project
Additional Instructions: Disbursement
First Restatement

I refer to the Grant Agreement (“Agreement”) between the International Development Association (“World Bank”), acting as administrator of grant funds provided by Australia, Belgium, Canada, the European Union represented by the European Commission, Finland, France, Germany, the Netherlands, Norway, Spain, Switzerland, the United Kingdom, and the United States (the “Donors”) under the Multi-Donor Trust Fund for the Extractive Industries Transparency Initiative (EITI) Implementation Support Facility, and Republic of Mozambique (“Recipient”) for the above-referenced project, dated August 22, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF015142 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is a First Restatement of the Disbursement Letter dated August 22, 2013 for the above referenced project restating Section I(i) to introduce “Advance” as a disbursement method. This introduction also affect Section II(vi) and Section III(i,ii). All other provisions of the Disbursement Letter dated August 22, 2013, 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
- Direct Payment
- Advance

(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 Condition(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
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Attention: 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
P.O. Box 30577 – 00100
Nairobi, Kenya
Attention: Loan Department

(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
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 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 SIDC”) 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 USD 20,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Standard Bank.
- **Ceiling (subsection 6.1):** USD 120,000

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:**
  - Interim Financial Report in the form attached (Attachment 4); and
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5).

- **For reporting eligible expenditures paid from the Designated Account:**
  - Interim Financial Report in the form attached (Attachment 4);
- Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5); and

- A reconciliation of the Designated Account, in the form attached (Attachment 6), with a copy of the 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 or more if required

**IV. Other Important Information**


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](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 a Finance Officer at CTRLD-TF@worldbank.org using the above reference.

Yours sincerely,

[Vidya Narasimhan]

Vidya Narasimhan
Finance Officer, CTRLN

**Attachments**

- 1 to 5 remains valid as submitted under the original letter.
- Attachment 6: Designated Account Reconciliation Statement.
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) = $________________

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

<table>
<thead>
<tr>
<th>APPLICATION NO.</th>
<th>AMOUNT</th>
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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: ___________________________
Cc with copies:  H. E. Dr. Esperanca Bias
Minister of Mineral Resources
Ministry of Mineral Resources
Maputo, Mozambique

H. E. Mr. Abdul Razak Noormahomed
Vice Minister of Mineral Resources
Ministry of Mineral Resources
Maputo, Mozambique