

H.E. Bihi Iman Egeh
Minister of Finance
Ministry of Finance
Federal Republic of Somalia
Mogadishu, Somalia

**Federal Republic of Somalia: Preparation of Proposed
Somali Sustainable Fisheries Development Project
Preparation Advance (PPA) No. IDA-V490-SO
Additional Instructions: Disbursement and Financial Information Letter**

Honorable Minister:

I refer to the Advance Agreement (“Agreement”) between the Federal Republic of Somalia (“Recipient”) and the International Development Association (“Bank”) for financing activities (“Activities”) and facilitating the preparation of the above-referenced Somali Sustainable Fisheries Development Project. The Standard Conditions, as defined in the Agreement, provide that the Recipient may from time-to-time request withdrawals of Advance amounts from the Advance Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Recipient. The Standard Conditions also provide that the Disbursement and Financial Information Letter may set out financial reporting requirements specific to the Activities. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”) and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of funds from the Project Preparation Advance, and Reporting on the uses of funds from the Project Preparation Advance.

(i) Disbursement Arrangements

The table in Schedule 1 of this DFIL sets out the disbursement methods – advance, and direct payment, which may be used by the Recipient, information on registration of authorized signatories, processing of Withdrawal Applications (including the processing of advances from the Advance), instructions on supporting documentation, and reporting of advances.

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 (“Disbursement Guidelines”), are available on the Bank’s secure website “Client Connection” at <https://clientconnection.worldbank.org> and its public website at <https://www.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 Project Preparation Advance is specified below.

(ii) Withdrawal Applications (Electronic Delivery)¹

The Recipient will deliver Withdrawal Applications (with supporting documents, “Applications”) electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effective 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 Form 2380, which is accessible through “Client Connection.” By signing the Authorized Signatory Letter, which can be delivered manually or electronically, 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 Bank by these means. The Recipient may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations) and which were previously agreed with the Bank. By designating officials to use SIDC and 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 the Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank’s public website at <https://www.worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>; and (b) to cause such officials to abide by those terms and conditions.

II. Financial Reports and Audits²

(i) For the Preparation Advance

• ***Financial Reports***

The Ministry of Fisheries and Blue Economy (MFBE) with support from the PIU of the Somalia Recurrent Cost and Reform Financing Project - Phase 3 (RCRF III) will prepare separate Interim Unaudited Financial Reports (IFRs) and submit to the World Bank not later than 45 days after the end of the quarter.

• ***Audits***

The MFBE with support from the PIU of the RCRF III will also prepare annual financial statements for the project which will be submitted for external audit within three (3) months after the financial year end. The audited project annual financial statements together with any additional information required will be submitted to the World Bank not later than six (6) months after the end of the financial year.

³(a) If on or before the Refinancing Date, a Refinancing Agreement has been executed by all parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(b) If by the Refinancing Date, no Refinancing Agreement has been executed by all parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the financial year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period must be furnished to the Bank not later than six (6) months after the end of the Recipient’s financial year in which the Refinancing Date occurs.

¹ Section 9.01 (c) of the Standard Conditions

² Section 2.09 of the Standard Conditions

- (c) Notwithstanding the provisions of paragraphs (a) and (b) of above, the Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website at <https://www.worldbank.org> and "Client Connection" at <https://clientconnection.worldbank.org> the Bank recommends that you register as a user of "Client Connection." From this website, you will be able to prepare and deliver Authorized Signatory Letters and Withdrawal Applications, monitor the near real-time status of the Advance, 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 Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,

Matthew Stephens

Matthew Stephens
Acting Country Director
Kenya, Rwanda, Somalia and Uganda
Eastern and Southern Africa Region

Attachments

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)

Schedule 1 : Disbursement Provisions

Basic Information					
Project Preparation Advance number	IDA V490-SO	Country	Federal Republic of Somalia	Refinancing Date	Section 3.03 of Article III to the Advance Agreement.
		Recipient	Federal Republic of Somalia		
		Name of the Project Preparation Advance	Somali Sustainable Fisheries Development Project	Disbursement Deadline Date	The disbursement deadline date is the same as the refinancing date.
Disbursement Methods and Supporting Documentation					
Disbursement Methods <i>Section 2 (**)</i>	Methods	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	Yes	Copy of records (e.g., invoices and receipts)			
Reimbursement	No	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL			
Advance (into a Designated Account)	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL			
Special Commitments	No	Copy of Letter of Credit			
Designated Account (Sections 5 and 6 **)					
Type	Segregated		Ceiling	Fixed	
Financial Institution - Name	Central Bank of Somalia		Currency	USD	
Frequency of Reporting <i>Subsection 6.3 (**)</i>	Monthly		Amount	500,000	
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Direct Payment is USD 10,000					
Authorized Signatures (Subsection 3.1 and 3.2 **) <i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</i> Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)					
<p>The form for Authorized Signatory Letter is provided in Attachment 1 of this letter.</p> <p>The ASL and all Withdrawal Applications corresponding to this Project Preparation Advance, with their supporting documentation, will be submitted electronically via the Bank’s “Client Connection” system.</p> <p>If the ASL and all Withdrawal Applications corresponding to this Project Preparation Advance, with their supporting documentation, will be submitted manually to the following address.</p> <p style="margin-left: 40px;">Delta Center, 13th Floor Upper Hill, Menengai Road P.O. Box 30577 - 00100 Nairobi, Kenya Tel: 254 20 2936 000 Attention: Loan Department</p>					
Additional Information					
Other					

Attachment 1 – Form of Authorized Signatory Letter]

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

[DATE]

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

Attention: [Country Director]

Dear [Country Director]:

Re: Project Preparation Advance No. ____ - ____ (_____)

I refer to the Advance Agreement (Agreement”) between the International Bank for Reconstruction and Development (“Bank”) and [Recipient Name] (“Recipient”), providing for the above Project Preparation Advance. For the purposes of Section 2.02 of the General Conditions as defined in the Agreement, any ⁴ [one/two/three] of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Preparation Advance:

For the purpose of delivering the Applications to the Bank, ⁵ [one/two/three] of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Recipient, acting [individually⁶ / jointly⁷] to deliver the Applications and evidence in support thereof on the terms and conditions specified by the Bank.

This Authorization also confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank

⁴ 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 Bank.*

⁵ 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 Bank.*

⁶ 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 Bank.*

⁷ 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 Bank.*

including by electronic means. The Bank shall rely upon such representations and warranties, including the representations and warranties contained in 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”), the Recipient represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to the Agreement(s) referred to in the subject line of this Authorization.

Signatory Details

Name	Position	Email ID
[Signatory Name]	[Title]	[Email]

Specimen Signatures

Signatory Name	Signature 1	Signature 2	Signature 3
[User Name]			
[User Name]			

Yours truly,

/ signed /

[Position]⁸

⁸ Instruction to Bank staff: please forward this letter to the Country Lawyer for further processing (Recipient: please do not delete this note).

SOE Model Template (incl. listing of prior review payments)

IBRD – International Bank for Reconstruction and Development/IDA – International Development Association

Statement of Expenditures

Payment made during the period from to

The following expenditures have been incurred during the retroactive financing period (please tick)
 The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick)

Yes	No
Yes	No

Financier	
Loan/Credit/Grant #	
Application #	
Category #	
Page #	

ONLY for the Designated Account

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No	Supplier's Name	Brief Description of the Expenditure	Prior Review (Contract?) <i>(YES or NO)</i>	Contract # <i>(Client Connection # for Prior Review Contracts)</i>	Contract Currency and Amount <i>(Original + Amendment)</i>	Invoice Number	Date of Payment	Total Amount of Invoice Covered by Application <i>(Net of Retention)</i>	% Financed from the Bank	Eligible Amount <i>(Col 9 x 10)</i>	Exchange Rate	Date of Withdrawal from the Designated Account	Amount Withdrawn from the Designated Account <i>(Col 11/12)</i>
								0.00		0.00		TOTAL	0.00