

Date: December 28, 2021

H.E Adriano Afonso Maleiane
Minister of Economy and Finance
Ministry of Economy and Finance
Av. 10 de Novembro, No. 929, 1º Andar
Maputo, Mozambique

**Re: Grant No. TF0B7216-MZ
(Sustainable Energy and Broadband Access in Rural Mozambique Project)
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Grant Agreement (“Agreement”) between the International Bank for Reconstruction and Development/International Development Association (“World Bank”), acting as an administrator of the Mozambique Energy for All Multi-Donor Trust Fund, and the Republic of Mozambique (the “Recipient”) for the above-referenced project, dated Dec. 28, 2021. The Standard Conditions, as defined in the Grant Agreement, provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B7216-MZ (“Grant”), and may set out Project specific financial reporting requirements. This letter (“Disbursement and Financial Information Letter”), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The *World Bank Disbursement Guidelines for Projects*, dated February 1, 2017, (“Disbursement Guidelines”) are available in the World Bank's public website at <https://www.worldbank.org>, and are an integral part of the Disbursement and Financial Information 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

The table in **Schedule 1** provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01(c) of the Standard Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be affected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will 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 Bank by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal 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 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 World Bank's public website at <https://worldbank.org> and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits Section 2.07 (a) and (b) of the Standard Conditions.

(i) Financial Reports.

The Recipient must prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports ("IFR") for the Project covering the quarter. Where a UN agency is contracted by the Recipient, the Recipient is responsible to ensure that the financial reporting requirements applicable to the UN Agency are stipulated in the agreement between the Recipient and the UN agency and met in a timely manner.

(ii) Audits.

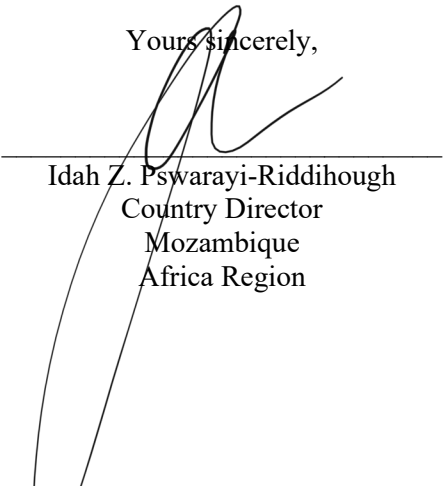
Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period. Where a UN agency is contracted by the Recipient, the Recipient is responsible to ensure that the documentation requirements applicable to the UN agency, for project audit purposes, are stipulated in the agreement between the Recipient and the UN agency.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank's website (<http://www.worldbank.org>) and "Client Connection". The World Bank 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 Grant, 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 World Bank by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,



Idah Z. Pswarayi-Riddihough
Country Director
Mozambique
Africa Region

Attachments

1. Form of Authorized Signatory Letter
2. Interim Financial Report (IFR)

Schedule 1 - Disbursement Provisions

Basic Information					
Grant Number	TF-B7216-MZ	Country	The Republic of Mozambique	Closing Date	Section III.B.2 of Schedule 2 to the Grant Agreement
		Recipient	Ministry of Economy and Finance		
		Name of the Project	Sustainable Energy and Broadband Access in Rural Mozambique Project	Disbursement Deadline Date <i>Subsection 3.7 **</i>	Four (4) months after the closing date
Disbursement Methods, and Supporting Documentation					
Disbursement Methods <i>Section 2 (**)</i>	Methods Available	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	Yes	Copy of Records			
Reimbursement	Yes	Interim Financial Report (IFR) in the format provided in Attachment 2 of the DFIL			
Advance (into a Designated Account)	Yes	Interim Financial Report (IFR) in the format provided in Attachment 2 of the DFIL			
Special Commitments	Yes	Copy of Letter of Credit			
Designated Account (Section 5 and 6 **)					
Type	Segregated Account			Ceiling	Variable
Financial Institution - Name	DA-E to be opened at Banco de Moçambique			Currency	USD
Frequency of Reporting, Subsection 6.3 (**)	At least monthly			Amount	Based on a six (6) month forecast within the Interim Financial Report
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Direct Payments, Reimbursement, and Special Commitment is USD 1,000.00 equivalent for the first 6 months after effectiveness. It will then become USD 50,000.00 equivalent for the remaining implementation of the project.					
Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)					
<p><i>i) Authorized Signatures and (ii) Applications</i> The address for the new ASL letter AND the Withdrawal Applications and its supporting documentation will be electronically sent via the Bank's system <i>Client Connection</i>.</p> <p>The World Bank, Loan Department, Delta Center, 13th Floor, Upper Hill, Menengai Road, P.O. Box 30577 - 00100 Nairobi, Kenya. Tel: 254 20 2936 000</p>					
Additional [Information][Instructions]					

DA-E is to be handled by the PIU-EDM, linked to Category 1, and shared with DA-A under the IDA Grant D934-MZ

In case of expenditure related to any category in the table under Schedule 2 Section III.A.1 (“Withdrawal Table”) of the Grant Agreement, payments to UN Agencies (if any) may be made through UN Advances (with or without a UN Commitment) disbursement mechanism. In case of a contract with a UN Agency requiring a UN Commitment, an application for issuance of UN Commitment is to be submitted by the Recipient/Borrower. Subsequent payments and documentation of expenditures under the contract must be made in accordance with the Commitment letter to be issued by the Association and the contract between the Borrower/Recipient and the UN agency. In case of a UN Advance (without UN Commitment), documentation of expenditure should be made once the final invoice is issued and based on the UN Financial Report

Other

Funds from the Designated Accounts may be transferred to Project Accounts in local currency, in a Bank acceptable to IDA, for the payment of eligible expenditures as and when required.

**** Sections and subsections indicated relate to the *Disbursement Guidelines for Investment Project Financing* dated February 2017.**

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: Grant No. **TF0B7216** (Sustainable Energy and Broadband Access in Rural Mozambique Project)

I refer to the [Grant] [Letter] Agreement (“Agreement”) between the [International Bank for Reconstruction and Development/International Development Association] (“[World Bank]”[“Association”])), acting as [*an implementing agency of the Global Environmental Facility*] [*administrator of the Global Partnership on Output-based Aid*] [*administrator of name of the trust fund*], and [*name of recipient*] (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 [¹one] 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] [Association], ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the [World Bank] [Association].

¹ 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/Association.*

² 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/Association.*

³ 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/Association.*

⁴ 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/Association.*

⁵[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 [World Bank] [Association] by electronic means. In full recognition that the [World Bank] [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 Process Applications and Supporting Documentation* (“Terms and Conditions of Use of SIDC”), the Recipient represents and warrants to the [World Bank] [Association] that it will cause such persons to abide by those terms and conditions.]

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

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

⁵ Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials 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/Association.*

Attachment 2 Interim Financial Reports (IFR)

Sustainable Energy and Broadband Access in Rural Mozambique Project

IDA Grant:

Interim Unaudited Financial Report (IFR)

For the quarter ended

- 1** Notes to the IFR-Discussion on Financial performance, Notes and Explanations
- 2** Statement of Sources and Uses of Fund
- 3** Use of Funds by Components
- 4** Designated Account Activity Statement
- 5** Payments Made during Reporting Period Against Contracts Subject to the Bank's Prior Review

TABLE 1

Sustainable Energy and Broadband Access in Rural Mozambique Project		
SOURCES AND USES OF FUNDS STATEMENT		
IDA Grant _____ MZ		
From _____ to _____		
	Quarter	Cumulative
Opening Cash Balances		
- Cash on hand		
- IDA Designated Account		
- CUT		
- Local Currency bank account		
- Total opening cash		
Add: Sources of Funds		
- IDA - Advance to Designated Account		
- IDA - Direct Payments		
- UN Advances		
- Total Financing		
Cash Available		
Less: Uses of Funds by Categories		
1) Goods, works, non-consulting services, consulting services, Operating Costs under Parts 1, 2 and 5(c) of the Project		
(2) Goods, works, non-consulting services, and consulting services under Parts 3 (except for Parts 3(a)(i) and (ii) of the Project) and Part 5(b) of the Project		
(3) Results-Based Financing Payments under Part 3(a)(i) of the Project		
(4) Capitalization of the Risk-Sharing Facility under Part 3(a)(ii) of the Project		
(5) Goods, works, non-consulting services, and consulting services under Parts 4, 5(a) and 5(d) of the Project		
(6) Emergency Expenditures under Part 4 of the Project		
Total Expenditures		
Cash Available Less Expenditures		
Foreign Exchange difference		
Net Cash available		
Closing Cash balances		
Cash on hand		
IDA Designated Account		
CUT		
Local Currency bank account		
Total Closing Cash balances		

TABLE 2

Sustainable Energy and Broadband Access in Rural Mozambique Project
World Bank - IDA Grant
Uses of Funds by Component
For the Quarter ended
From: to

Componente / Actividades	Quarter			Cumulative			Cash Focast
	Planned	Actual	Variance	Planned	Actual	Varaiance	
(1) On-grid Peri-urban and Rural Grid Electrification -							
(2) EDM operational performance -							
(3) Off-Grid Electricity Access and Clean Cooking Solutions -							
(4) Broadband Access for Underserved Areas and Target Groups -							
(5) Technical Assistance and Implementation Support -							
(6) Contingency and Emergency Response -							
Total project expenditures							

Table 3

REPUBLIC OF MOZAMBIQUE
Sustainable Energy and Broadband Access in Rural Mozambique Project

Sustainable Energy and Broadband Access in Rural Mozambique Project	
IDA Grant Number:	
Bank:	Bank Account Number:

PART I	Quarter
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	Quarter
4 - Opening DA balance at beginning of reporting periods Total provincial sub-accounts balances	
5 - Add/Subtract: Cumulative adjustments (if any)	
6 - Advances from World Bank during reporting period	
7 - Add line 5 and line 6	
8 - Outstanding advances to be accounted for (add line 4 and 7)	
9 - Closing SA balances at end of current reporting period Total provincial sub-accounts balances (Please see anex A)	
10 - Add/Subtract: Cumulative adjustments (if any)	
11 - Expenditures for the reporting period	
12 - Add line 10 and line 11	
13 - Add line 9 and line 12	
14 - Difference (if any) (line 8 minus line 13)	
PART III	Quarter
15A - Total forecast amount to be paid by World Bank	0.00
15B - WA n.º submitted but not yet received from the World Bank	0.00
15C - Estimated total amount adjusted to be paid by the World Bank (line 15A minus line 15B)	0.00
16 - Less closing DA balance after adjustments Total provincial sub-accounts balances (Please see anex A)	0.00
17 - Direct Payments/SC payments	0.00
18 - Add line 16 and 17	0.00
19 - Cash requeriments from World Bank for next two reporting periods (line 15C minus 18)	0.00

Table 4

Sustainable Energy and Broadband Access in Rural Mozambique Project
IDA CREDIT NUMBER :

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 Non Objection to Contract	Amount Paid to Supplier during Period	WB's Share of Amt Paid to Supplier during Period