

Keith E. Hansen
Country Director
Kenya, Uganda, Rwanda, and Somalia
Eastern and Southern Africa Region

14-Feb-2024

H.E. Bihi Iman Egeh
Minister of Finance
Ministry of Finance
Shanganni District
Mogadishu,
SOMALIA

**Re: IDA Grant IDA-E268- SO
(Accelerating Sustainable and Clean Energy Transformation in Somalia Project)**

Additional Instructions: Disbursement and Financial Information Letter.

Excellency:

I refer to the Financing Agreement between Federal Republic of Somalia (the “Recipient”) and the International Development Association (the “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 Grant amounts from the Grant Account 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 Grant Funds, and Reporting of Uses of Grant 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 guidelines apply to the Grant 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 signatures, 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.
- **Special Provision**. Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.

(ii) Electronic Delivery. Section 11.01 (c) of the General Conditions.

The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association’s web-based portal (<https://clientconnection.worldbank.org>) “Client Connection”. This option may be affected if 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 may 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 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. 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://worldbank.org> and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits.

(i) Financial Reports. The Recipient must prepare and furnish to the Association 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.

(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 Association not later than six (6) months after the end of such period.

III. Other Information.

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s website (<http://www.worldbank.org/>) and “Client Connection”. The 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 Bank by email at Askloans@worldbank.org.

Yours sincerely,

Keith E. Hansen

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Country Director
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Attachments

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

With Copies: H.E. Bihi Iman Egeh
Minister of Finance
Ministry of Finance

Schedule 1 : Disbursement Provisions

Basic Information					
Grant Number	IDA-E268-SO	Country	Federal Republic of Somalia	Closing Date	Section III.B.2 of Schedule 2 to the Financing Agreement.
		Recipient	Ministry of Finance		
		Name of the Project	Accelerating Sustainable and Clean Energy Transformation in Somalia Project	Disbursement Deadline Date <i>Subsection 3.7 **</i>	Four (04) months after the closing 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			
Reimbursement	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of this DFIL			
Designated Accounts (DA)	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of this DFIL			
Special Commitments	Yes	Copy of Letter of Credit			
Designated Account (Sections 5 and 6 **)					
Type	One segregated DA • DA-A for Federal Republic of Somalia	Ceiling	Fixed		
Financial Institution – Name	• DA-A at Central Bank of Somalia	Currency	USD		
Frequency of Reporting <i>Subsection 6.3 (**)</i>	At least Monthly	Amount	DA-A: USD 1,500,000		
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is waived through Special Provision for Direct Payments.					
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) Authorized Signatures: An authorized signatory letter in the Form attached (Attachment 1) should be furnished to the Association at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications.</p> <p>(ii) Withdrawal and Documentation Applications: All Withdrawal Applications and its supporting documentation will be electronically sent via the Association’s system ClientConnection. In instances where paper copies will have to be submitted, 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 Grant, to the address indicated below: The World Bank, Loan Department, Delta Center, 13th Floor, Upper Hill, Menengai Road, P.O. Box 30577 - 00100 Nairobi, Kenya.</p>					

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

Attachment 1 – Form of Authorized Signatory Letter

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

**Re: Grant No. IDA E268- SO
(Accelerating Sustainable and Clean Energy Transformation in Somalia Project)**

Attention: Keith E. Hansen

I refer to the Financing Agreement (“Agreement”) between the International Development Association (the “Association”)[, acting as implementing of the]¹ and [*name of recipient*] (the “Recipient”), dated _____, providing the above [Grant] [Credit]. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ²[one] 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] [Credit].

For the purpose of delivering Applications to the Association, including by electronic means, ³[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ⁴[individually] ⁵[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

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

¹ Instruction to the Recipient: add text in line with the Financing Agreement if applicable; if not applicable delete it. *Please delete this footnote in final letter that is sent to the Associations*

² 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.*

³ 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.*

⁴ 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.*

⁵ 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.*

[Name], [position]

Specimen Signature: _____

[Name], [position]

Specimen Signature: _____

[Name], [position]

Specimen Signature: _____

Yours truly,

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

Supporting documents for this SOE are retained at _____
(insert location)
A separate form should be used for each category.