The Honorable Patrick Chinamasa  
Minister of Finance and Economic Development  
Ministry of Finance and Economic Development  
Harare  
Republic of Zimbabwe  

Honorable Minister,  

Re: Grant number no. TF0A0902 (Zimbabwe Public Procurement Modernization Project)  
Additional Instructions: Disbursement  

I refer to the Grant Agreement between the International Bank for Reconstruction and Development and the International Development Association (collectively the “World Bank”), acting as administrator of grant funds for the above-referenced project of even date, herewith. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant no. TF0A0902 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.  

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  
- Advance  
- Direct Payment  
- Special Commitment  

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (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 in the Grant Agreement under paragraph 3.02 of Article III.

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  
P.O. Box 12629  
Harfield 0028  
Pretoria, Republic of South Africa  
Attention: Guang Zhe Chen, Country Director for Zimbabwe

(ii) Applications (subsections 3.2 - 3.3). 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 credit, to the address indicated below:

The World Bank  
Delta Center, 13th Floor  
Menengai Road  
Nairobi, Kenya  
Tel: +254 20 2936 000  
Attention: Disbursements (Anthony Okwako)

(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 (https://clientconnection.worldbank.org). 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 10,000 USD

(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): Barclays Bank of Zimbabwe
- Ceiling (subsection 6.1): 50,000 USD

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:
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5)
  - Statement of Expenditure in the form attached (Attachment 4)

- For reporting eligible expenditures paid from the Designated Account:
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5)
  - Statement of Expenditure in the form attached (Attachment 4)

- 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): monthly
(iii) Other Supporting Documentation Instructions

Copies of the bank statement of the Designated Account and a reconciliation statement (Attachment 6) for this Account should be submitted with each Application of replenishment.

IV. Other Important Information


From the Client Connection 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.

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). 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 Christiaan Nieuwoudt, Finance Officer at loa-afr@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Camille Niamah
Country Manager for Zimbabwe
Africa Region
Attachments

2. Form for Authorized Signatures
4. Form for Statement of Expenditures
5. Form for Summary Sheet for Payments Against Contracts Subject to the World Bank’s Prior Review
6. Designated Account reconciliation