Re: Grant No. TF0B0464  
(Temane Regional Electricity 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 administrator of Norway’s Support to the Regional Power Infrastructure Project in Southern Africa Trust Fund, and the Republic of Mozambique (the "Recipient") for the above-referenced project, of even date herewith. 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 No. TF0B0464 ("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.

- Special Provision. Projects in situations of urgent need of assistance or capacity constraints: 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) 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 effected 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 semester, interim unaudited financial reports (“IFR”) for the Project covering the semester.

(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.

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,

By: Mark R. Lundell
Country Director for Mozambique
Africa Region

Attachments
1. Form of Authorized Signatory Letter.
2. Form of Statement of Expenditure (SOE).
## Schedule 1 - Disbursement Provisions

### Basic Information

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country</th>
<th>Recipient</th>
<th>Closing Date</th>
<th>Disbursement Deadline Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF0B0464</td>
<td>Republic of Mozambique</td>
<td>Ministry of Economy and Finance</td>
<td>December 31, 2023</td>
<td>Four (4) months after the closing date</td>
</tr>
<tr>
<td>Name of the Project</td>
<td>Temane Regional Electricity Project</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Disbursement Methods, and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods Section 2 (**)</th>
<th>Methods Available</th>
<th>Supporting Documentation Subsections 4.3 and 4.4 (**)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statements of Expenditure (SOE) in the format provided in Attachment 2 of the DFII</td>
</tr>
<tr>
<td>Advance (Designated Account)</td>
<td>Yes</td>
<td>Statements of Expenditure (SOE) in the format provided in Attachment 2 of the DFII</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes</td>
<td>Copy of Letter of Credit</td>
</tr>
</tbody>
</table>

### Designated Account (Section 5 and 6 (**) )

<table>
<thead>
<tr>
<th>Type</th>
<th>Segregated</th>
<th>Ceiling</th>
<th>Fixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution - Name</td>
<td>DA-A open at Banco de Moçambique</td>
<td>Currency</td>
<td>USD</td>
</tr>
<tr>
<td>Frequency of Reporting, Subsection 6.3 (**)</td>
<td>DA-A Monthly</td>
<td>Amount</td>
<td>USD 2,000,000</td>
</tr>
</tbody>
</table>

### Minimum Value of Applications (subsection 3.5)

- The Minimum Value of Applications for Reimbursement, Direct Payment and Special Commitment is USD 1,000 equivalent.

### 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 (**) )

### ASL Address:
- The World Bank
  - Mozambique Country Office
  - 1224, Kenneth Kaunda Avenue
  - Maputo
  - Republic of Mozambique
  - Attention: Mark R. Lundell
  - Country Director for Mozambique

### WA Address:
- The World Bank, Loan Department
  - 13th Floor Delta Center
  - Menengai Road
  - Upper Hill
  - P.O.Box 30557-00100
  - Nairobi, Kenya
  - Tel: +254 20 293 6000
### Additional Instructions

<table>
<thead>
<tr>
<th>DA-A is to be handled by SNTE for Categories 1 and 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other</strong></td>
</tr>
<tr>
<td>Funds from the Designated Account may be transferred to Project Account in local currency, in a Bank acceptable to IDA, for the payment of eligible expenditures as and when required. Transfers should be made as and when required to avoid exchange rate losses. As currently Mozambique has a long outstanding Lapsed Loan, no advances will be released until the full settlement of the outstanding balance of the Designated Account under the Lapsed Loan. Once the Lapsed Loan has been closed, advances will then be released based on the agreed above.</td>
</tr>
</tbody>
</table>

* Select the agreed supporting documentation, and add the following “in the format provided in Attachment 2 of this letter”

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

Re: IDA Grant No. TF0B0464
(Temane Regional Electricity Project)

Attention: ________________________, Country Director

I refer to the Grant Agreement ("Agreement") between the International Development Association ("World Bank"), acting as administrator of Norway’s Support to Regional Power Infrastructure Projects in Southern Africa Trust Fund, and the Republic of Mozambique (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 [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.

For the purpose of delivering Applications to the World Bank, 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.

---

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.
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 by electronic means. In full recognition that the World Bank 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 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 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.
Statement of Expenditure

IDA - International Development Association

Statement of Expenditures

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplier's Name</th>
<th>Brief Description of the Expenditure</th>
<th>Prior Review Contract? (YES or NO)</th>
<th>Contract # (Client connection for Prior Review)</th>
<th>Contract currency and amount (original or amendment)</th>
<th>Invoice number</th>
<th>Date of Payment</th>
<th>Total amount of invoice covered by Application (net of retention)</th>
<th>% Financed by the Bank</th>
<th>Eligible Amount</th>
<th>Exchange rate</th>
<th>Date of Withdrawal from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account</th>
<th>TOTAL</th>
</tr>
</thead>
</table>

|             |                 |                                      |                                   |                                               |                                                  |               |                 |                                                              |                               |                |             |                                           |                                             |       |
|             |                 |                                      |                                   |                                               |                                                  |               |                 |                                                              |                               |                |             |                                           |                                             |       |
|             |                 |                                      |                                   |                                               |                                                  |               |                 |                                                              |                               |                |             |                                           |                                             |       |
|             |                 |                                      |                                   |                                               |                                                  |               |                 |                                                              |                               |                |             |                                           |                                             |       |
|             |                 |                                      |                                   |                                               |                                                  |               |                 |                                                              |                               |                |             |                                           |                                             |       |

Supporting documents for this SOE are retained at

general location

A separate form should be used for each category.