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THE WORLD BANK
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Date: October, 25, 2019

H. E. Osvaldo Santos

Minister of Planning, Finance and Blue Economy
Minister of Planning, Finance and Blue Economy
São Tomé
Republic of São Tomé and Príncipe

OFFICIAL DOCUMENTS

Re: Democratic Republic of Sao Tome e Principe: IDA Grant D3760-ST
(Social Protection and Skills Development Project)
Additional Instructions: Revised Disbursement and Financial Information Letter.

Excellency,

I refer to the Grant Agreement between the Republic of Sao Tome E Principe (the "Recipient") and the International Development Association (the "Association") for the above-referenced Project. The General Conditions, as defined in the Grant 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.

This Disbursement and Financial Information Letter is a First Revision of the Disbursement and Financial Information Letter dated January 15, 2019 for the above referenced project. The purpose of the revision is to update Schedule 2, namely the use of an additional Designated Account, the type of Designated Accounts, the currency and ceilings of the Designated Accounts. Section III of the Disbursement and Financial Information Letter is also updated to include the recently change communication channels to a centralized email user account within the Loans Department.

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 Credit 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 Borrower, information on registration of authorized signatures[6/], 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.

(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 effected 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 Borrower, 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,

George Ferreira da Silva
Finance Officer
WFACS
Africa Regional Centre Nairobi

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Attachments

1. Form of authorized Signatory Letter
2. Statement of Expenditure (SOE)
3. Customized of Statement of Expenditure

With copies:

- H.E Adlander Matos, Minister of Employment Solidarity, Family and Professional Training
- H.E Julieta Rodrigues, Minister of Education and Higher Education
- H.E Maria Graça Oliveira Lavres, Minister of Tourism, Culture, Comerce and Industry
- Jurtalena Henriques, Director of Social Protection and Solidarity, MESFPT

Schedule 1 : Disbursement Provisions

<table>
<tr><th colspan="6">Basic Information</th></tr>
<tr><td rowspan="3">Grant Number</td><td rowspan="3"></td><td>Country</td><td>Republic of Sao Tome E Principe</td><td>Closing Date</td><td>Section [III.B.2.] of Schedule [2] to the Loan Agreement.</td></tr>
<tr><td>Recipient</td><td>Republic of Sao Tome E Principe</td><td rowspan="2"></td><td rowspan="2"></td></tr>
<tr><td>Name of the Project</td><td>Social Protection and Skills Development Project</td></tr>
<tr><td colspan="4"></td><td>Disbursement Deadline Date
Subsection 3.7 **</td><td>Four months after the closing date.</td></tr>
<tr><th colspan="6">Disbursement Methods and Supporting Documentation</th></tr>
<tr><td colspan="2">Disbursement Methods
Section 2 (**)</td><td>Methods</td><td colspan="3">Supporting Documentation
Subsections 4.3 and 4.4 (**)</td></tr>
<tr><td colspan="2">Direct Payment</td><td>[Yes]</td><td colspan="3">Copy of records</td></tr>
<tr><td colspan="2">Reimbursement</td><td>[Yes]</td><td colspan="3">Statement of Expenditure (SOE) in the format provided in Attachment 1 of the DFIL for category 1, 2, 3 and 4</td></tr>
<tr><td colspan="2">Designated Account</td><td>[Yes]</td><td colspan="3">Customized Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL for category 5</td></tr>
<tr><td colspan="2">Special Commitments</td><td>[Yes]</td><td colspan="3">Copy of Letter of Credit</td></tr>
<tr><th colspan="6">Designated Account (Sections 5 and 6 **)</th></tr>
<tr><td colspan="2">Type</td><td colspan="2">Segregated</td><td>Ceiling</td><td>Fixed</td></tr>
<tr><td colspan="2">Financial Institution – Name</td><td colspan="2">DA-A - A commercial Bank Acceptable to the Association
DA-B – to be held at BISTP</td><td>Currency</td><td>USD</td></tr>
<tr><td colspan="2">Frequency of Reporting Subsection 6.3 (**)</td><td colspan="2">Monthly</td><td>Amount</td><td>DA-A 2,000,000
DA-B 800,000</td></tr>
<tr><th colspan="6">Minimum Value of Applications (subsection 3.5)</th></tr>
<tr><td colspan="6">The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is twenty percent of the Designated Account Ceiling.</td></tr>
<tr><th colspan="6">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 **)</th></tr>
<tr><td colspan="6">Authorized Signatures (subsection 3.1 and 3.2).
A letter in the form attached (attached 1) 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 Application:

The World Bank
Resident Mission
Sao Tomé, Republic of Sao Tome E Principe
Attention: Abdoulaye Seck, Country Director for Republic of Sao Tome Principe</td></tr>
</table>

Applications (subsections 3.3 - 3.4). 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, Loan Department Delta Center, 13th Floor, Menegai Road, Upper Hill Nairobi, Kenya Attention: Loan Operations & Trust Funds Unit
Additional Disbursement Instructions
DA-A is for the use of expenditure to be financed from Categories 1, 2, 3 and 4 DA-B is for the use of expenditure to be financed from category 5
Other

** *Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 201*

[Attachment 1 – Form of Authorized Signatory Letter]

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

[*DATE*]

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

Re: Grant No. _____-___ ([*Name of the project]*)

Attention: _____, *Country Director*

I refer to the Grant Agreement ("Agreement") between the International Association and Development (the "Association" and Republic of Sao Tome Principe (the "Borrower"), dated _____, providing the above Grant. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [1][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 Association, including by electronic means, [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 Association.

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

[Name], [position] Specimen Signature: _____

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[1] 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.*

[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 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 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 Association.*

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

_____

[Attachment 2]

IBRD- International Bank for Reconstruction and Development

Statement of Expenditures

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

Payment made during the period from _____ to _____

The following expenditures have been incurred during the retroactive financing period (please tick)	Yes	No
The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick)	Yes	No

										ONLY for the Designated Account		
1	2	3	4	5	6	7	8	9	10	11	13	14	15
Item No	Supplier's Name	Brief Description of the expenditure	Prior Review Contract? *(YES or NO)*	Contract # *(Client Connection # for Prior Review contracts)*	Contract currency and amount (original + amendment)	Invoice number	Date of payment	Total amount of invoice covered by Application *(net of retention)*	% Financed by the Bank	Eligible Amount (Col 9 X 10)	Exchange rate	Date of Withdrawal from the Designated Account	Amount Withdrawn from the Designated Account (Col 11 / 12)
								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

[ATTACHMENT 3]

The World Bank
APPLICATION FOR WITHDRAWAL **Data**
CUSTOMIZED STATEMENT OF EXPENDITURES[5]
(S0E)

Category No.

1	3	4	5	6	7	8	9	10	11
Item No.	Name and Address of Payment Agency	References of Eligible Beneficiary	Amount per Beneficiary	Total Amount Paid	Elig. %	Amount Eligible for Financing	Amount Paid From Designated Account (if any)	Date of Payment	Remarks
				TOTALS					

Certification
The Recipient hereby certifies that the Beneficiaries paid were selected in line with the Procedures and Eligibility Criteria specified in the in Section I.C.1 of Schedule 2 to the Agreement

_____
Name and Title of Authorized Representative

[5] Supporting documents for this SOE retained at:(insert location)