H.E. Abdirahman Duale Beileh  
Minister of Finance  
Federal Government of Somalia  
Villa Somalia  
Mogadishu, Somalia

Re: EGPS Grant No. TF083642  
(Somalia Petroleum Sector Technical Assistance Project)  
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Letter Agreement ("Agreement") between International Development Association ("World Bank"), acting as administrator of the Extractive Global Programmatic Support ("EGPS"), and Federal Republic of Somalia (the "Recipient") for the above-referenced project, of even date here with. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF083642 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

I. Disbursement Arrangements, Withdrawal and Reporting of Grant Proceeds

The attached World Bank Disbursement Guidelines for Projects, dated February 1, 2017, ("Disbursement Guidelines") (Attachment I), 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

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. 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) Electronic Delivery.

The World Bank may permit the Recipient to electronically deliver applications (with supporting documents) through the World Bank'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 World Bank by electronic means. 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. 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.

(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. Given the size of the operation (US$ 500k) and the implementation duration (18 months), we are proposing one off audit covering the life of the project. The audit report to be submitted not later than 6 months after the closure of the project.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the 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, please contact the World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact WFACS at Loa-Afr@worldbank.org using the above reference.

Yours sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Bella Bird
Country Director for Somalia
Africa Region
Attachments

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
### Schedule I: Disbursement Arrangements

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country</th>
<th>SOMALIA</th>
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<tr>
<td></td>
<td>Recipient</td>
<td>Federal Republic of Somalia</td>
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<td>Name of the Project</td>
<td>Somalia Petroleum Sector Technical Assistance Project</td>
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<tr>
<th>Disbursement Methods</th>
<th>Methods Available</th>
<th>Supporting Documentation</th>
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<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records</td>
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<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure</td>
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<tr>
<td>Designated Accounts:</td>
<td>Yes</td>
<td>Statement of Expenditure</td>
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<td>DA A-Federal Government</td>
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#### Type
- Segregated

#### Financial Institution - Name
- To be established at a financial institution acceptable to the Bank

#### Currency
- Fixed

#### Frequency of Reporting, Subsection 6.3 (**)
- Monthly

#### Ceiling
- USD

#### Amount
- 100,000

The Minimum Value of Applications for Reimbursement, Direct Payment USD 5,000 equivalent.

Please provide completed and signed (a) applications for withdrawal, together with supporting documents to the address indicated below:

The World Bank,  
Delta Center, 13th Floor,  
Menengai Road, Upper Hill,  
Nairobi, Kenya.  
Contact Telephone number: +254 20 2936 000.  
Attention: Loan Department - Regional Team Lead
* 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
Form of Authorized Signatory Letter

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Dear [Country Director]:

Re: EGPS Grant No. _____
(Somalia Petroleum Sector Technical Assistance Project)

I refer to the Letter Agreement ("Agreement") between the International Development Association ("World Bank"), acting as administrator of the Extractive Global Programmatic Support ("EGPS"), and Federal Republic of Somalia (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, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting individually [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

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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.

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.

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.

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.

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.

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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]
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<tr>
<th>Item No.</th>
<th>Category No.</th>
<th>Name of Supplier, Contractor or Consultant</th>
<th>Brief Description of Goods, Works or Services</th>
<th>Total Amount of Contract (Include all currencies)</th>
<th>Currency of Expenditure</th>
<th>Total invoice amount covered by this application (net of retention)</th>
<th>Eligible % of financing</th>
<th>Currency and eligible amount paid (7)x(8)</th>
<th>US$ Equivalent paid from Special Account**</th>
<th>Date of Payment</th>
<th>Exchange Rate**</th>
<th>Remarks or Invoice references, including no-objection telex date</th>
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**ATTACHMENT 2 - STATEMENT OF EXPENDITURE**

**TOTALS**

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