October 21, 2014

Honorable Amara Konneh
Minister
Ministry of Finance and Development Planning
Broad Street
Monrovia
Republic of Liberia

Dear Honorable Konneh:

Re: Liberia Credit Number 5244-LR and MDTF HRI Grant Number TF14432-LR
(Health Systems Strengthening Project)
First Revised Disbursement dated July 3, 2013

Additional Instructions: Disbursement

I refer to the Financing Agreement ("Agreement") between the Republic of Liberia (the "Recipient") and the International Development Association (Association), and the Co-financing Grant Agreement ("Agreement") between the Recipient and the International Bank for Reconstruction and Development and International Development Association ("World Bank"), acting as administrator of the Multi-donor Trust Fund for Health Results Innovation ("Trust Fund"), for the above-referenced project, dated July 3, 2013. The Agreements provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Credit and Grant. This first revision includes reference to the UN Advance Account for category 4 of the project and change from report-based disbursement (IFRs) to transaction-based disbursement (SOE) for categories 1 to 3 of the project. 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 Credit and Grant are 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 Credit and Grant:
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s), if any, in the Agreements.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1).
A letter in the Form attached (Attachment 2) 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:

The World Bank Office
German Embassy Compound
Tubman Boulevard
Oldest Congo Town
Monrovia, Liberia
Attention: Yusupha D. Crookes
Country Director for Liberia

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents to the address indicated below:

The World Bank Office
German Embassy Compound
Tubman Boulevard
Oldest Congo Town
Monrovia, Liberia
Attention: Yusupha D. Crookes
Country Director for Liberia

(iii) Electronic Delivery of Applications (subsection 3.4) The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank’s Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower 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 Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower 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 Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

(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 Borrower 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 Secure Identification Credentials") 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 US$ 50,000 for both Credit and Grant.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
  The Designated Account will applied only for Categories 1 to 3 and will be managed by Office Financial Management at the Ministry of Health and Social Welfare (OFM)
  UN Advance Account for management of the Credit for Category 4

- **Currency of Designated Account (subsection 5.4):** US Dollars

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Central Bank of Liberia

- **Ceiling for the Designated Account (subsection 6.1):** USD 1,000,000
  Designated Account for management of the Credit and the Grant: will be based on Statement of Expenditures (SoE)
  UN Advance Account for management of the Credit: will be based on IFRs six month forecast

III. Reporting on Use of Credit and 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:**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices, documentary evidence of delivery and acceptance of contracted goods or service) for: (i) goods and works valued at USD 300,000 or more; (ii) consulting firms valued at USD 100,000 or more; and (iii) individual consultants valued at USD 50,000 or more:
o Statement of Expenditure in the form attached (Attachment 4) for all other expenditures/contracts; and

o List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5).

- **For reporting eligible expenditures paid from the Designated Account:**

  o Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices, documentary evidence of delivery and acceptance of contracted goods or service) for: (i) goods and works valued at USD 300,000 or more; (ii) consulting firms valued at USD 100,000 or more, and (iii) individual consultants valued at USD 50,000 or more;

  o Statement of Expenditure in the form attached (Attachment 4) for all other expenditures/contracts; and

  o List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5).

- **For requests for Direct Payment and Special Commitments:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and acceptance of contracted goods or service.

(i) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account**
(subsection 6.3): Monthly and for the UN Advance Account every three months.

(ii) **Other Supporting Documentation Instructions**

- Copies of the bank statements of the Designated Account and a reconciliation statement for this account should be submitted with each application of replenishment.

- For reporting expenditures under the IFRs (Attachment 4) should include supplementary information, including the Central Bank of Liberia processing the payments.

IV. Other Important Information


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (http://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. 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 Luis Schwarz, Senior Finance Officer at LOA-AFR@worldbank.org using the above reference.

Yours sincerely,

Luis Schwarz
Senior Finance Officer
CTRLD

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Form of “Interim unaudited Financial Reports - IFRs” and SoEs.
5. Form of Summary Sheet for Payments Against Contracts Subject to the World Bank’s Prior Review