February 2, 2016

Honourable Snyder Rini
Minister of Finance and Treasury
Ministry of Finance and Treasury
P.O. Box 26
Honiara
Solomon Islands

Dear Honourable Minister,

LDCAF Grant No. TF016614 AND GFDRR Grant No. TF016425
(Community Resilience and Disaster Risk in Solomon Islands Project)

Additional Instructions: Disbursement

I refer to the Grant Agreement ("Agreement") between the Solomon Islands ("Recipient") and the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as: (i) implementing agency of the Least Developed Countries Fund ("LDCAF"); and (ii) as administrator of grant funds provided by various donors under the Global Facility for Disaster Reduction and Recovery ("GFDRR"), for the above-referenced project dated April 1, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of LDCAF Grant No. TF016614 and GFDRR Grant No. TF016425 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions and supersedes the Disbursement Letter dated April 1, 2014. The revisions in this letter pertain to adding Special Commitment as a disbursement method set out in Paragraph 1 (i) below.

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(s) in the Grant Agreement.

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  
Level 19, 14 Martin Place  
CML Building  
Sydney NSW 2000, Australia  
Attention: Country Director

(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  
26/F, One Global Place  
5th Avenue corner 25th Street  
Bonifacio Global City  
Taguig City, Philippines 1634  
Attention: Loan Department

(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 for reimbursement, direct payment and special commitment is USD50,000 equivalent.

(vi) **Advances (sections 5 and 6) to Solomon Islands Government, Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM).**

- **Type of Designated Account (subsection 5.3):** Pooled Account to support the Community Resilience and Disaster Risk in Solomon Islands Project.

- **Currency of Designated Account (subsection 5.4):** Solomon Islands Dollar.

- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Financial Institution acceptable to the World Bank.

- **Ceiling (subsection 6.1):** SBD3,500,000 which are made up of SBD2,800,000 for LDCF Grant and SBD700,000 for GFDRR Grant.

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 4);
  - Custom Statement of Expenditure in the form attached (Attachment 5), for payments made under subproject agreements in Category 2;
  - Statement of Expenditure in the form attached (Attachment 6) for all other expenditures/contracts; and
  - Records evidencing eligible expenditures (e.g. copies of receipts, supplier invoices) for payments against contracts that are subject to prior review.

- **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 4);
  - Custom Statement of Expenditure in the form attached (Attachment 5), for payments made under subproject agreements in Category 2;
  - Statement of Expenditure in the form attached (Attachment 6) for all other expenditures/contracts; and
  - Records evidencing eligible expenditures (e.g. copies of receipts, supplier invoices) for payments against contracts that are subject to prior review.
A designated account reconciliation (Attachment 7) and related bank statement.

- **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.

**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 any queries in relation to the above, please contact World Bank Loan Department at loa-eap@worldbank.org using the above reference.

Yours sincerely,

Mona Sur  
Acting Country Director  
Timor-Leste, Papua New Guinea  
& Pacific Islands  
East Asia and Pacific Region

cc: Mr. Harry Kuma, Permanent Secretary, Ministry of Finance and Treasury  
Ms. Dalcy Tozaka, Director FEDU, Ministry of Finance and Treasury  
Mr. Melchior Mataki, Permanent Secretary, Ministry of Environment, Conservation and Meteorology