October 28, 2013

Honourable Dr. Ralph Everard Gonsalves  
Prime Minister, Minister of Finance and Economic Planning  
Office of the Prime Minister  
Administrative Center  
Bay Street  
Kingstown  
Saint Vincent and the Grenadines  

Re: Saint Vincent and the Grenadines: IDA Credit 4986-VC; SCF-PPCR Grant no. TF010206; SCF-PPCR Loan no. TF011132 (- Regional Disaster Vulnerability Reduction Project),

Additional Instructions: Revised Disbursement Letter

Excellency:

I refer to the Financing Agreement between the International Development Association (the "Association") and Saint Vincent and the Grenadines (the "Recipient"), the SCF Loan Agreement between the Recipient and the International Bank for Reconstruction and Development (the "World Bank") acting as an implementing Entity of the Strategic Climate Fund, and the Grant Agreement between the Recipient and the World Bank acting as an implementing Entity of the Pilot Program for Climate Resilience under the SCF for the above-referenced project, all dated September 9, 2011. The Financing Agreement, the SCF Loan Agreement, and the PPCR Grant Agreement, respectively, provide that the Association/World Bank may issue additional instructions regarding the withdrawal of the proceeds of IDA Financing 4986-VC ("Financing"), the SCF Loan No. TF011132 ("Loan") and the PPCR Grant TF No10206 ("Grant"). This letter ("Disbursement Letter"), constitutes the additional instructions and replaces the previous version dated September 9, 2011.

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 Financing, Loan and 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 Financing, Loan and Grant:
• Advance
• Direct Payment
• Reimbursement

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Financing Agreement, SFC Loan Agreement and the Grant Agreement. Any changes to this date will be notified by the Association/World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Withdrawal Condition(s) in Schedule 2, Section IV (B) of the Financing Agreement.

II. Withdrawal of Financing, Loan & Grant Proceeds

(i) Authorized Signatures (subsection 3.1). Letters in the Forms attached (Attachment 2a, 2b and 2c) should be furnished to the Association/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
1818 H Street, N.W.
Washington, DC 20433
United States of America
Attention: Françoise Clottes, Country Director
Caribbean Country Management Unit

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

Banco Mundial
Setor Comercial Norte,
Quadra 02, Lote A
Edificio Corporate Finance Center
7º Andar
70712-900 Brasilia, D.F.
Brazil
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association’s Client Connection, web-based portal. The option to deliver Applications to the Association 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 Association 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
Association agrees, the Association 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 Association 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 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 for Direct Payment and Reimbursement is United States Dollars (US$) 100,000 equivalent.

(vi) Advances (sections 5 and 6) to the Central Planning Division (CPD) of St. Vincent’s Ministry of Finance.

- Type of Designated Account (subsection 5.3): Pooled
- Currency of Designated Account (subsection 5.4): United States Dollars (USD)
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Bank of Saint Vincent and the Grenadines

Ceiling (subsection 6.1): USD $ 1,000,000

III. Reporting on Use of Financing, Loan & Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each Application as set out below:

- For requests for Direct Payment:
  - Records evidencing eligible expenditures, (e.g., copies of receipts, supplier invoices).

- For requests for Reimbursement:
  - Summary of Expenditures (Summary Sheet) in the form attached (Attachment 4) with Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made:
    - under contract for Works costing US$ 450,000 equivalent per contract or more;
Disbursement Letter

- under contracts for Goods costing US$ 250,000 equivalent per contract or more; and
- under contracts with Consulting Firms costing US$ 100,000 equivalent per contract or more;
- under contracts with Individual Consultants costing US$ 50,000 equivalent per contract or more; and
  - Statement of Expenditure in the form attached (Attachment 5) for payments that do not exceed the thresholds established above.

- For reporting eligible expenditures paid from the Designated Account:
  - Summary of Expenditures (Summary Sheet) in the form attached (Attachment 4) with Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made:
    - under contract for Works costing US$ 450,000 equivalent per contract or more;
    - under contracts for Goods costing US$ 250,000 equivalent per contract or more; and
    - under contracts with Consulting Firms costing US$ 100,000 equivalent per contract or more;
    - under contracts with Individual Consultants costing US$ 50,000 equivalent per contract or more;
  - Statement of Expenditure in the form attached (Attachment 5) for payments that do not exceed the thresholds established above;
  - Designated Account Bank Statement with a Designated Account Reconciliation Statement in the form attached (Attachment 6).

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3). Quarterly.

IV. Other Important Information


If you have not already done so, the Association/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 prepare and deliver Applications, monitor the near real-time status of the Financing, Loan and Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Association/World Bank by email at clientconnection@worldbank.org.
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If you have any queries in relation to the above, please contact us at loalcr@worldbank.org using the above Project Name and financing number/loan number/grant number as a reference.

Yours sincerely,

[Signature]

Victor Ordonez
Sr. Finance Officer, Loan Department
CTRLD
Attachments
1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006 - Not included as there is no change from previous Disbursement Letter
2. a-Form for Authorized Signatures-Financing
   b-Form for Authorized Signatures-Grant
   c-Form for Authorized Signatures-Loan
4. Summary Sheet - Not included as there is no change from previous Disbursement Letter
   Statement of Expenditures - Not included as there is no change from previous Disbursement Letter
5. Designated Account Reconciliation Statement - Not included as there is no change from previous Disbursement Letter