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

Dear Minister,

Solomon Islands: PHRD Grant No. TF012391
Increasing Resilience to Climate Change and Natural Hazards Project
Additional Instructions: Second Restatement of Disbursement Letter

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by Japan (the "Donor") under the Japan Policy and Human Resources Development Trust Fund, and Solomon Islands ("Recipient") for the above-referenced project, dated September 24, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No TF012391 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions and replaces the Disbursement Letter dated September 24, 2012 as restated on February 2, 2016, to increase the Designated Account ceiling limit as set forth in Section II. paragraph vi. Advances provided however that Attachments to the Disbursement Letter dated September 24, 2012 form an integral part of this Disbursement Letter.

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 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:

1 Includes (i) Attachment 1, Bank Disbursement Guidelines for Projects, dated May 1, 2016; (ii) Attachment 2, Sample Form for Authorized Signatures; (iii) Terms and Conditions of Use of Secure Identification Credentials in Connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013; (iv) Attachment 4, Form of Statement of Expenditure; (v) Attachment 5, Form of List of Payments Against Contracts Subject to the World Bank’s Prior Review (vi) Form of Designated Account Reconciliation Statement Form Statement of Expenditure and (vii) Form Statement of Expenditure Form.


(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 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 Financing Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory 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  
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 applications for withdrawal, together with supporting documents, through the World Bank’s Client Connection, web-based portal, following the instructions for electronic delivery. In case the recipient does not have internet access, the World Bank may permit the delivery of applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

The World Bank  
26th Floor, One Global Place  
5th Avenue corner 25th Street  
Bonifacio Global City, Taguig  
Philippines  
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 Reimbursement, Direct Payments and Special Commitments is USD50,000 equivalent.

(vi) **Advances (sections 5 and 6).**

- **Type of Designated Account (subsection 5.3):** Segregated.
- **Currency of Designated Account (subsection 5.4):** Solomon Islands Dollars (SBD)
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Australia and New Zealand Banking Group Limited
- **Ceiling (subsection 6.1):** SBD3,500,000

III. Reporting on Use of Financing Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - Statement of Expenditure in the form attached (Attachment 4)
  - Statement of Expenditure in the form attached (Attachment 7) for Community Grants, expenditure Category 3;
  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5) together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices).

- **For reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditure in the form attached (Attachment 4)
  - Statement of Expenditure in the form attached (Attachment 7) for Community Grants, expenditure Category 3;
  - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5) together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) and
- A Designated Account Reconciliation Statement in the form attached (Attachment 6) with a copy of the 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):** Quarterly or more often if required.

**IV. Other Disbursement Instructions**

Special disbursement arrangements have been made for Category 3 expenditures (Community Grants) to include the presentation of a customized Statement of Expenditure (Attachment 7).

**V. Other Important Information**


From the Client Connection website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact WFALN Manila at WFALN_Manila@worldbank.org using the above reference.

Sincerely,

[Signature]

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