Honorable Mamodou L. Kargbo  
Minister of Finance and Economic Development  
Ministry of Finance and Economic Development  
Treasury Building, George Street  
Freetown, Sierra Leone

Dear Honorable Minister:

Re: Sierra-Leone: JSDF Grant Agreement for strengthening Community Mobilization and Local Council Service Delivery in the Post-Ebola Context Project (TF0A4737)  
First Revision to the disbursement letter dated Jun 23, 2017  
Additional Instructions: Disbursement

I refer to the Letter Agreement ("Agreement") between the Republic of Sierra Leone ("Recipient") and the International Development Association ("World Bank"), acting as administrator of grant funds provided by Japan ("Donor") under the Japan Social Development Fund (JSDF) for the above-referenced program, dated June 23, 2017. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0A4737 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This revision of the disbursement letter reinstates advances as a disbursement method which were not available due reasons set forth in Subsection 5.2 of the Disbursement guidelines.

The attached World Bank Disbursement Guidelines for Projects, dated Feb 1, 2017, ("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 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
Africanus House
13A Howe Street
Freetown, Sierra Leone
Attention: Mr. Henry Kerali, Country Director for Sierra Leone

(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
Delta Centre, 13th Floor,
Menengai Road
Nairobi, Kenya
Tel: +254 20 2936 000
Attention: Loan Operations

(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 SDIC 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, special commitment and direct payment is USD 100,000.
(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Sierra Leone Commercial Bank
- **Ceiling (subsection 6.1):** Forecast of two quarters as provided in the Interim financial report

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 Association’s Prior review, in the form attached (Attachment 5).
  - Interim Financial report in the form attached (Attachment 4).

- **For reporting eligible expenditures paid from the Designated Account:**
  - List of payments against contracts that are subject to Association’s Prior review, in the form attached (Attachment 5).
  - Interim Financial report in the form attached (Attachment 4).
  - A reconciliation of the Designated Account, in the form attached (Attachment 6), with a copy of the bank statement.

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

- **For requests for Special Commitment:** Letter of credit and a copy of Pro-forma invoice

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

IV. Other Disbursement Instructions:

(i). **Transfers under Sub-Grant agreement:** Fund transfers made under Sub-grant agreement under Category 4 are to be shown as advances and such advances are to be documented as expenses only upon confirmation of receipt of funds by the final beneficiaries. The sub-grant reconciliation statement included as part of IUFR should be submitted for all payments under Sub-grant agreements.
(ii) DA & Local currency Account: A USD Designated Account for the project will be opened with Sierra Leone Commercial Bank. The PIU will open another operational account in local currency (SLL) with a Commercial Bank. Funds will be transferred from the DA to the local currency account for the payments to be made in local currency. It is to be ensured by the PIU that the amount transferred as advances to the local currency account are to be expensed out or to be refunded back to the Designated Account in a timely manner.

V. 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 not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://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. 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 World Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact WFALD-TF by sending an email to WFALD-tf@worldbank.org and using the trust fund number as a reference.

Very truly yours,

[Signature]

Luis Schwarz
Senior Finance Officer
WFALN

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Form of Interim Financial Report
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review
6. Designated Account reconciliation Statement

Prepared by: Mugambi Mwendia WFALA