The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W. Washington, D.C. 20433
(202) 473-1000
Cable Address: INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION U.S.A.
Cable Address: INDEVAS

April 1, 2014

Honourable Rick Nelson Houenipwela
Minister of Finance and Treasury
Ministry of Finance and Treasury
P.O. Box 26
Honiara, Solomon Islands

Dear Hon. Minister:

LD CF GRANT NUMBER TF016614
GFDRR GRANT NUMBER TF016425
Community Resilience and Disaster Risk in Solomon Islands Project

Additional Instructions: Disbursement Letter

I refer to the Grant Agreement (“Agreement”) between the Solomon Islands (“Recipient”) and the International Bank for Reconstruction and Development and the International Development Association (“World Bank”), acting as: (i) implementing agency of the Least Developed Countries Fund (“LDCF”); 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 LDCF Grant No. TF016614 and GFDRR Grant No. TF016425 (“Grant”). 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 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 Grants:

- Reimbursement
- Advance
- Direct Payment


(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Agreements. Any changes to this date will be notified by the World Bank.

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: Franz Drees-Gross, Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed applications for withdrawal, together with supporting documents, 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 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 Direct Payment and Reimbursement is USD 50,000 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 Dollars (SBD)
- **Financial Institution at which the Designated Account 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 SBD 2,800,000 for LDCF Grant and SBD 700,000 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;
o Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts that are subject to prior review; and

o 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,

Franz Drees-Gross
Country Director
Papua New Guinea, Timor Leste and Pacific Islands

Attachments
2. Sample Form for Authorized Signatures
4. Sample Form of Payments Against Contracts Subject to the World Bank’s Prior Review
5. Sample Form of Statement of Expenditure
6. Sample Form of DA Reconciliation Statement
Cc with copies:

Hon. Bradley Tovusia, Minister for the Environment, Climate Change, Disaster Management and Meteorology (MECDM)
Mr. Shadrach Fanega, Permanent Secretary, Ministry of Finance and Treasury (MoFT)
Mr. Jerry Manele, Permanent Secretary, Ministry of Development Planning and Aid Coordination (MDPAC)
Dr. Melchior Mataki, Permanent Secretary Ministry of Environment, Climate Change, Disaster Management and Meteorology and Permanent Secretary of Ministry of Agriculture and Livestock,
Mr. Douglas Yee, Director of Department of Climate Change, MECDM,
Mr. Loti Yates, Director National Disaster Management Office, MECDM
Ms. Dalcy Tozaka-Ilala, Director, FEDU, MoFT
Ms. Susan Sulu, Director Aid Coordination Unit, MDPAC
Mr. Chanel Iroi, Undersecretary, MECDM
The World Bank
Level 19, 14 Martin Place
CML Building
Sydney NSW 2000, Australia

Attention: Franz Drees-Gross, Country Director

Re: LDCF GRANT NUMBER XXX
GFDRR GRANT NUMBER XXX
Community Resilience and Disaster Risk in Solomon Islands Project

I refer to the Grant Agreement ("Agreement") between the Solomon Islands ("Recipient") and the International Bank for Reconstruction and Development and the International Development Association ("World Bank"), acting as: (i) implementing agency of the Least Developed Countries Fund ("LDCF"); 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 (Date of Signing). For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Grant.

For the purpose of delivering Applications to the World Bank, 2[i]each of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] 4[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

3[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

---

1 Instruction to the Recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the World Bank.

2 Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the World Bank.

3 Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

4 Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.
the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in 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"), the Recipient represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: ________________

[Name], [position] Specimen Signature: ________________

[Name], [position] Specimen Signature: ________________

Yours truly,

/ signed /

______________________________

MOF Minister

---

5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the World Bank.
Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

March 1, 2013

The World Bank (Bank)\textsuperscript{6} will provide secure identification credentials (SIDC) to permit the Borrower\textsuperscript{7} to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank's Client Connection (CC) website (https://clientconnection.worldbank.org) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

\textsuperscript{6} “Bank” includes IBRD and IDA.

\textsuperscript{7} “Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the
signatory will access CC using his/her account name and CC Password and register
his/her Physical Token and set a personal identification number (PIN) to be used in
connection with the use of his/her Physical Token, after which the Physical Token will be
initialized for use by the signatory exclusively for purposes of delivering Applications.
Where a Soft Token is to be used, the signatory will access CC using his/her account
name and CC Password and set a personal identification number (PIN) to be used in
connection with the use of his/her Soft Token, after which the Soft Token will be
initialized for use by the signatory exclusively for purposes of delivering Applications.
Upon initialization of the SIDC, the signatory will be a “SIDC User”. The Bank will
maintain in its database a user account (Account) for each SIDC User for purposes of
managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will
have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC
User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC
User in the manner prescribed by the Bank in the Agreement(s) and these Terms and
Conditions. Any other use of the SIDC is prohibited.

2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC
by the SIDC User, other representatives of the Borrower, or third parties.

3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such
representation and warranty being expressly relied upon by the Bank in granting SIDC)
that each SIDC User understands and will abide by, these Terms and Conditions of Use,
including without limitation the following:

4. Security

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in
written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an
Application to the Bank.

4.3. The SIDC User shall always logout from CC when not using the system. Failure to
logout properly can create a route into the system that is unprotected.

4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her
Physical Token he/she shall immediately notify clientconnection@worldbank.org.
4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. **Reservation of Right to Disable SIDC**

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User’s Account or both.

6. **Care of Physical Tokens**

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. **Replacement**

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User’s Account.
Payments Made during Reporting Period

Against Contracts Subject to the World Bank's Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB's Share of Amt Paid to Supplier during Period</th>
</tr>
</thead>
</table>
### Custom Statement of Expenditure – Categories 2 and 3

**The World Bank**  
**APPLICATION FOR WITHDRAWAL**

<table>
<thead>
<tr>
<th>Category No.</th>
<th>Grant/TF No.</th>
<th>Period covered</th>
<th>Currency and Amount of Subproject</th>
<th>Name and Address of Beneficiary of Subgrant</th>
<th>Signature Date of Sub-grant Agreement</th>
<th>Closing Date of Subgrant Agreement</th>
<th>Brief Description of Eligible Expenditures to be financed by Subgrant (ie. Goods, Works, Non-Consulting Services)</th>
<th>Total amount covered by Withdrawal Application</th>
<th>Elig. %</th>
<th>Amount Eligible for Financing</th>
<th>Amount Paid From Designated Account (if any)</th>
<th>Date of Payment</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Supporting documents for this SOE retained at: (insert location)
## Statement of Expenditures (SOE)

Payments made during the period from _____________ to _____________

Date: _____________  
Application No.: _____________  
TF No.: _____________  
SOE No.: _____________

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Name and Address of Contractors or Suppliers</th>
<th>Contract or Purchase order No. &amp; Date (or other ref.)</th>
<th>Brief Description of Goods, Works or Services</th>
<th>Currency and Total Amount of Contract</th>
<th>Total amount invoices covered by application (net of retention)</th>
<th>Elig. %</th>
<th>Invoice Amount Eligible for Financing</th>
<th>Amount Paid From Designated Account (if any)</th>
<th>Date of Payment</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTALS**

Supporting documents for this SOE retained at: (insert location)
DESIGNATED ACCOUNT RECONCILIATION STATEMENT

Trust Fund Number __________________
Account Number ________________ with (Bank) __________________

1. Total advanced by World Bank (or cofinancier) $ ________________
2. Less: Total amount recovered by World Bank - $ ________________
3. Equals present outstanding amount advanced to the designated account (number 1 less number 2) = $ ________________

Balance of designated account per attached bank statement as of date __________________________ $ ________________

5. Plus: Total amount claimed in this application no. __________________________ + $ ________________ *

6. Plus: Total amount withdrawn and not yet claimed reason: __________________________ + $ ________________ *

7. Plus: Amounts claimed in previous applications not yet credited at date of bank statements

<table>
<thead>
<tr>
<th>Application No.</th>
<th>Amount *</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Subtotal of previous applications not yet credited + $ ________________

8. Minus: Interest earned - $ ________________ *

9. Total advance accounted for (no. 4 through no. 9) = $ ________________

10. Explanation of any difference between the totals appearing on lines 3 and 9: __________________________

11. Date: __________________________ Signature: __________________________
     Title: __________________________

* All items should be indicated on the bank statement