Re: Solomon Islands Electricity Access Expansion Project – GPOBA Grant
(Grant No. TF0A2923)

Addisonal Instructions: Disbursement

Excellency:

I refer to the Letter Agreement ("Agreement") between Solomon Islands ("Recipient"), and the International Development Association (IDA) ("World Bank"), acting as administrator of grant funds provided by the Global Partnership on Output-based Aid Trust Fund, dated 15th August, 2016. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0A2923 ("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 Grant:

- Reimbursement
- Direct Payment

(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 Withdrawal Condition(s) in Section 3.02 of 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 submit 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 applications for withdrawal, together with supporting documents, through the World Bank’s Client Connection, web-based portal, following the instructions for electronic delivery. In the 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 City, Philippines  
Attention: Loan Department,

(iii) Electronic Delivery (subsection 3.4) The World Bank 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 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 accept 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 deliver the Terms and Conditions of Use of SIDC to each such official and 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 Reimbursements and Direct Payments is USD 50,000.
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 – under Category 1**
  - Statement of Expenditure in the form attached for claims under Category 1 (Attachment 5).
  - Output based verification report provided by Independent verification agent.

- **For requests for Reimbursement – under Category 2**
  - Statement of Expenditure in the form attached for claims under Category 2 (Attachment 4)

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

IV. Other Disbursement Instructions:

(i) Disbursements under category 1 would be based on Reimbursement method of Disbursement only.

(ii) **OBA:** Disbursements for Output based Aid (OBA) subsidy would be based on the rates as per the below table

<table>
<thead>
<tr>
<th>Details</th>
<th>OBA Subsidy</th>
<th>Unit of Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Connections in Honiara Grid area</td>
<td>USD 794</td>
<td>Per electricity connection, including house hold wiring.</td>
</tr>
<tr>
<td>For Connections in Outstations</td>
<td>USD 994</td>
<td>Per electricity connection, including house hold wiring.</td>
</tr>
</tbody>
</table>

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 affected.
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,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Lasse Møgaard
Acting Country Director
East Asia and Pacific Region

Attachments

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Form of Statement of Expenditures
5. Form of Statement of Expenditures for Subsidy claims under Category 1

Cc with copies: Solomon Islands Electricity Authority (Solomon Power)
Honiara, Solomon Islands
pradip.verma@siea.com.sb