Mr. Daniel Gustafson  
Deputy Director-General, Programmes  
Food and Agriculture Organization of the United Nations  
Viale delle Terme di Caracalla  
00153 Rome  
Italy

Dear Mr. Gustafson,

Re: Republic of Yemen: Grant No. TF0A5431  
(Smallholder Agricultural Production Restoration and Enhancement Project)  
Additional Instructions: Disbursement

I refer to the Grant Agreement ("Agreement") between the Food and Agriculture Organization of the United Nations (the "Recipient") and the International Bank for Reconstruction and Development (the "World Bank"), acting as trustee and as a supervising entity of the Global Agriculture and Food Security Program ("GAFSP") Trust Fund for the above-referenced project, of even date herewith. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0A5431 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached Disbursement Guidelines for Investment Project Financing, dated February 2017, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter, subject to the provisions of the Financial Management Framework Agreement ("FMFA"). 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 Method may be used under the Grant:

- Advance

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the 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 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
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Attention: Mr. Asad Alam, Country Director for the Republic of Yemen

(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
Radnicka Cesta 80, 9th floor
Zagreb 10000, Croatia
Attention: World Bank Group Finance & Accounting (ex-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 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 cause such official to abide by those terms and conditions.
(v) **Advance (sections 5 and 6)**

- All advances made by the World Bank will be deposited into an official UN bank account in accordance with the applicable provisions of the Financial Regulations and Rules of FAO
- **Currency of the advance (subsection 5.4):** US Dollar
- **Ceiling (subsection 6.1):** forecast for 3 quarters (nine months) as provided in the semi-annual Interim Unaudited Financial Report.

### III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** All withdrawals shall be made on the basis of the Interim Unaudited Financial Reports in the form attached (Attachment 4).

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** the period set out in the Grant Agreement for provision of Interim Unaudited Financial Reports.

### IV. Other Important 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](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 Eric Ranjeva, Finance Officer at LOAMNA@WORLDBANK.ORG using the above reference.

Yours sincerely,

By: 

Asad Alam
Country Director, Republic of Yemen
Middle East and North Africa Region
Attachments
1. Disbursement Guidelines for Investment Project Financing, dated February 2017
2. Form for Authorized Signatures