Hon. Brenson Wase  
Minister of Finance  
Ministry of Finance  
PO Box D  
Majuro 96960  
REPUBLIC OF THE MARSHALL ISLANDS

Dear Minister,

**IDA Grant No. D452-MH**  
*(Marshall Islands Maritime Investment Project)*  
**Additional Instructions: Disbursement and Financial Information Letter**

I refer to the Financing Agreement between the Republic of Marshall Islands (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time to time request withdrawals of IDA Grant No. D452-MH (“Grant”), in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. **Disbursement Arrangements, Withdrawal of Grant Funds, and Reporting of Uses of Grant Funds.**


**(i) Disbursement Arrangements**

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, and conditions, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

**(ii) Electronic Delivery.** Section 11.01 (c) of the General Conditions.

The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association’s web-based portal ([https://clientconnection.worldbank.org](https://clientconnection.worldbank.org)) “Client Connection”. This option may be effected if the officials designated in writing by the Recipient who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through...
“Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. 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. 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, available on the Association's public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits.

(i) Financial Reports. The Recipient must prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports (“IFR”) for the Project covering the semester.

(ii) Audits. Because project funds will be fully integrated with Government accounts, auditing of project funds will become part of the auditing of National Government accounts. Therefore, no project audit will be required, subject to the inclusion of agreed notation in the national accounts during the life of the project. The audited Financial Statements for each such period must be furnished to the Association not later than nine (9) months after the end of such period. The Association reserves the right to request for a project audit.

III. Other Information.

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s website (http://www.worldbank.org/) and “Client Connection”. The Association recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Association by email at askloans@worldbank.org.

If you have any queries in relation to the above, please contact Chau-Ching Shen, Senior Finance Officer at cshen@worldbank.org, with copy to Joan Toledo, Finance Analyst at jtoledo@worldbank.org using the above reference.

Sincerely,

Michel Kerf

Michel Kerf
Country Director
Papua New Guinea & Pacific Islands
East Asia and Pacific Region
**Attachments**
1. Statement of Expenditure (SOE)
2. Form of Authorized Signatory Letter

With copies:

- Ministry of Finance
  Banking and Postal Service
  Majuro, Republic of Marshall Islands
  brensonwase@gmail.com

- Republic of Marshall Islands Port Authority
  Majuro, Republic of Marshall Islands
  phil.philippo@gmail.com

- Ministry of Justice
  Majuro, Republic of Marshall Islands
  georgelanwi@gmail.com

- National Disaster Management Office
  Majuro, Republic of Marshall Islands
  ndmodirector@gmail.com
### Schedule 1: Disbursement Provisions

<table>
<thead>
<tr>
<th>Basic Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA Grant Number</td>
<td>D452-MH</td>
</tr>
<tr>
<td>Country</td>
<td>Republic of Marshall Islands</td>
</tr>
<tr>
<td>Recipient</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Name of the Project</td>
<td>Marshall Islands Maritime Investment Project</td>
</tr>
<tr>
<td>Closing Date</td>
<td>Section III.B.2 of Schedule 2 to the Financing Agreement.</td>
</tr>
<tr>
<td>Disbursement Deadline Date</td>
<td>Four (4) months after the closing date.</td>
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<thead>
<tr>
<th>Disbursement Methods and Supporting Documentation</th>
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<tbody>
<tr>
<td><strong>Disbursement Methods</strong></td>
<td>Methods</td>
</tr>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
</tr>
<tr>
<td>Advance</td>
<td>Yes</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Designated Account (Sections 5 and 6 **)</th>
<th></th>
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<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Segregated; one (1) segregated designated account will be established for the Project, i.e. the segregated designated account already opened for PPA No. V166-MH will be used as the designated account for the Project.</td>
</tr>
<tr>
<td><strong>Financial Institution - Name</strong></td>
<td>A commercial bank or financial institution acceptable to the Association.</td>
</tr>
<tr>
<td><strong>Frequency of Reporting Subsection 6.3 (</strong>)**</td>
<td>Quarterly or more often if needed</td>
</tr>
<tr>
<td><strong>Ceiling</strong></td>
<td>Fixed</td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>USD</td>
</tr>
<tr>
<td><strong>Amount</strong></td>
<td>2,500,000</td>
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</table>

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<tr>
<th>Minimum Value of Applications (subsection 3.5)</th>
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<tr>
<td>The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD500,000 equivalent.</td>
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**Authorized Signatures (Subsection 3.1 and 3.2 **)** The form for Authorized Signatories Letter is provided in Attachment 2 of this letter

**Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)**

**Other Disbursement Instructions**

1) This DFIL may not be fully adapted to the disbursement of funds allocated from time to time to Category 2 of the disbursement table included in Section III.A of Schedule 2 to the Financing Agreement. The Disbursement Letter will be revised, if needed, when funds are allocated to Category 2 of the disbursement table.

**Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.**
Attachment 1 – Statement of Expenditures

### Statement of Expenditures (SOE)

Payment made during the period from ______ to ______

The following expenditures have incurred during the retroactive financing period (please tick) 

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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The following expenditures have incurred before the closing date of the loan/credit/grant (please tick) 

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<th>Yes</th>
<th>No</th>
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<tr>
<th>Item No</th>
<th>Supplier's Name</th>
<th>Brief Description of Expenditure</th>
<th>Prior Review Contract? (YES or NO)</th>
<th>Contract # (Client Connection # for Prior Review contracts)</th>
<th>Contract currency &amp; amount (original + amendments)</th>
<th>Invoice number</th>
<th>Date of payment</th>
<th>Total amount of invoice covered by Application (net of inflation)</th>
<th>% Financed by the Bank</th>
<th>Eligible Amount (Col 9 X 10)</th>
<th>Exchange rate</th>
<th>Date of Withdrawal from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account (Col 11 / 12)</th>
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</table>

ONLY for the Designated Account

|        |                 |                                 |                                  |                                                 |                             |                |                |                                              |                 |                             |                |                                 |                                              |
|        |                 |                                 |                                  |                                                 |                             |                |                |                                              |                 |                             |                |                                 |                                              |

Supporting documents for this SOE are retained at:

(insert location)

A separate form should be used for retroactive financing

A separate form should be used for each category

0.00     0.00     TOTAL 0.00
International Development Association  
Level 19, 14 Martin Place  
CML Building  
Sydney NSW 2000  
Australia  

Attention: Country Director  

Re: IDA Grant No. D452-MH (Marshall Islands Maritime Investment Project)  

I refer to the Financing Agreement (“Agreement”) between the Republic of Marshall Islands (the “Recipient”) and the International Development Association (the “Association”), dated ______, providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any 1[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 Financing.

For the purpose of delivering Applications to the Association, 2[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting 3[individually] 4[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

5[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: 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 Association.

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 Association.

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 Association.

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 Association.

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 Association.
the Association by electronic means. In full recognition that the Association 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 Association that it will cause such persons to abide by those terms and conditions.

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

[Name], [position] Specimen Signature: _________________

[Name], [position] Specimen Signature: _________________

[Name], [position] Specimen Signature: _________________

Yours truly,

/ signed /

__________________