CONFORMED COPY

Honorable Audley Shaw
Minister of Finance and the Public Service
Ministry of Finance and the Public Service
Kingston, Jamaica

Re: IBRD Loan No. 8007-JM (Energy Security and Efficiency Enhancement Project)
Additional Instructions: Disbursement Letter

Excellency:

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and Jamaica (the “Borrower”) for the above-referenced project, dated May 19, 2011. The Loan Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8007-JM (“Loan”). 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 Loan 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 Loan:

- Reimbursement
- Advance
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the World Bank.
II. Withdrawal of Loan 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: Mrs. Françoise Clottes, Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed Applications, together with supporting documents, to the address indicated below:

The World Bank
1818 H Street, N.W.
Washington, D.C., 20433
United States of America
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4). The World Bank may permit the Borrower 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 Borrower 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 devices (“Tokens”) from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Borrower with Tokens 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 Borrower 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 Borrower.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens 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 Reimbursement and Direct Payment is U.S Dollars (US$) 400,000 equivalent.

(vi) Advances (sections 5 and 6):

**Designated Account A** For Part B.4 of the Project-Operated by Development Bank of Jamaica:

- Type of Designated Account (subsection 5.3): Segregated.

- Currency of Designated Account (subsection 5.4): United States Dollars.

- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Commercial bank acceptable to the World Bank.

- Ceiling (subsection 6.1): US$4,600,000.

**Designated Account B** For all other Parts of the Project-Operated by Ministry of Finance and Public Service:

- Type of Designated Account (subsection 5.3): Segregated.

- Currency of Designated Account (subsection 5.4): United States Dollars.

- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Commercial bank acceptable to the World Bank.

- Ceiling (subsection 6.1): Projected expenditures as provided in the semi-annual Interim Financial Reports for the next 6 months.

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each Application as set out below:

- For reporting eligible expenditures paid from the Designated Account and for requests for Reimbursement:
  
  - Interim Unaudited Financial Report in the form attached (Attachment 4); and

  - List of payments against contracts that are subject to the World Bank’s Prior Review, in the form attached (Attachment 5).

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

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 (http://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower 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 us at loalcr@worldbank.org using the above Project name and Loan number as a reference in the subject line.

Yours sincerely,

By /s/ Françoise Clottes
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review

Prepared by: Miguel-Santiago Oliveira, CTRFC

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Michel E. Layec, LCSEG