Honorable Amara M. Konneh
Minister
Ministry of Finance and Development Planning
P. O. Box 10-9016
Broad Street, Monrovia
Republic of Liberia

Re: Third Grant Agreement for Republic of Liberia’s Readiness Preparation Proposal
Readiness Fund of the FCPF Grant No. TF0A0929

Additional Instructions: Disbursement Letter

Excellency:

I refer to the Grant Agreement between The Republic of Liberia (the “Recipient”) and the International Bank for Reconstruction and Development (the “World Bank”) acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility (FCPF), for the above-referenced Readiness Preparation Activities of even date herewith. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF0A0929 (“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 Financing 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 Financing:

- Reimbursement
- Advance
- Direct Payments

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (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 Disbursement Condition(s) in the Grant Agreement.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory 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 office
Bright Building
UN Drive
Mamba Point
Monrovia, Liberia

Attention:
Henry G. Kerali
Country Director for Ghana, Liberia and Sierra Leone

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

The World Bank
13th floor, Delta Center, Menengai Road,
Upper Hill, PO Box 30: 77-00100
Nairobi, Kenya

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 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 Secure Identification Credentials") 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 Reimbursement and Direct payments is USD 100,000 equivalent.

(vi) Advances (sections 5 and 6).

- **Type of Designated Accounts (subsection 5.3):** Segregated
- **Currency of Designated Accounts (subsection 5.4):** USD
- **Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):** Guarantee Trust Bank

**Ceiling (subsection 6.1):** USD 300,000

III. Reporting on Use of Financing Proceeds

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

- **For requests for Reimbursement:**
  - Interim Financial report in the form attached.
  - List of payments against contracts in the form attached (Attachment 5) for all contracts subject to the World Bank's prior review;

- **For reporting eligible expenditures paid from the Designated Account:**
  - Interim Financial report in the form attached.
  - List of payments against contracts in the form attached (Attachment 5) for all contracts subject to the World Bank's prior review;
  - Designated Account Reconciliation Statement (Attachment 6) and bank statements;

- **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): quarterly.

IV. Other Disbursement Instructions:

NIL

V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank’s public website at [https://www.worldbank.org](https://www.worldbank.org) and its secure
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 prepare and deliver Applications, monitor the near real-time status of the Financing, 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 us at wfaln-brasilia@worldbank.org using the above Project name and Financing number as a reference in the subject line.

Yours sincerely,

Henry G. Kerali
Country Director for Ghana, Liberia and Sierra Leone

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Form of Interim Financial Report
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review
6. Form of Designated Account Reconciliation Statement