Hon. Maki Stanley Simelum  
Minister  
Ministry of Finance and Economic Management  
PMB 9058  
Port Vila  
Republic of Vanuatu

Re: Second Grant Agreement for Republic of Vanuatu’s Readiness Preparation Proposal

Readiness Fund of the FCPF – Grant No. TF019203  
Additional Instructions: Disbursement Letter  
First Restatement of Disbursement Letter

Dear Minister,

I refer to the Second Grant Agreement (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”), acting as trustee of the Readiness Fund of the Forest Carbon Partnership Facility (“FCPF”), and Republic of Vanuatu (“Recipient”) for the above-referenced Readiness Preparation activities, dated 10 April, 2015. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF019203 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is first Restatement of the Disbursement Letter dated 10 April, 2015, for the above referenced project to restate Section II (v) Minimum value of Applications. All other provisions of the original Disbursement Letter, as restated, shall remain in force and effect.

The World Bank Disbursement Guidelines for Projects, dated May 1, 2006, (“Disbursement Guidelines”) as per Original Attachment, 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
   • Advance
   • 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, CML Building
14, Martin Place
Sydney NSW 2000, Australia
Attention: Franz Drees-Gross, 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 application 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 cor 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 Payment is USD 50,000 or equivalent thereof.

(vi) Advances (sections 5 and 6).

- Type of Designated Account[s] (subsection 5.3): Pooled
• **Currency of Designated Account[s] (subsection 5.4):** VATU (VUV)

• **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Reserve Bank of Vanuatu

• **Ceiling (subsection 6.1):** VUV 20,000,000.

### 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 and reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditure in the form specified; and
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts that are subject to the World Bank’s prior review, in the form specified;

• **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 or more often if required.

### IV. 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](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](mailto: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.

Yours sincerely,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By
Vidya Narasimhan
Finance Officer

All attachments as per Original Disbursement Letter

Cc with copies: