The Honourable Dr. Kenny D. Anthony  
Prime Minister and Minister for Finance,  
Economic Affairs, Planning and Social Security  
Office of the Prime Minister  
Graham Louisy Administrative Building  
Waterfront, Castries  
Saint Lucia

Dear Prime Minister:

Re: Saint Lucia: Advance Agreement for Preparation of Proposed Disaster Vulnerability Reduction-Project Preparation Advance No. Q8570-SLU  
Additional Instructions: Disbursement Letter

I refer to the Advance Agreement ("Agreement") between Saint Lucia ("Recipient") and the International Development Association ("World Bank") for the preparation of the above-referenced Project, dated July 2, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Project Preparation Advance Q8570-SLU ("PPA"). 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 this Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the PPA 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 PPA:

- Reimbursement
- Advance
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Refinancing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.
II. Withdrawal of PPA 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, DC 20433
Unites 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, DC 20433
Unites States of America
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 Direct Payment and Reimbursement is United States Dollars $ 50,000 equivalent.

(vi) Advances (sections 5 and 6).

- 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):**
  Bank of St. Lucia (Bank of Saint Lucia Limited)

- **Ceiling (subsection 6.1):** Forecast for two quarters as provided in the quarterly Interim Financial Report.

### III. Reporting on Use of PPA Proceeds

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

- **For requests for Reimbursement:**
  - Interim 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 reporting eligible expenditures paid from the Designated Account:**
  - Interim Financial Report in the form attached (Attachment 4);
  - List of payments against contracts that are subject to the World Bank’s Prior Review, in the form attached (Attachment 5); and
  - An activity reconciliation statement (Attachment 6) and bank statement for Designated Account should be submitted with each withdrawal application reporting on the use of financing proceeds.

- **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 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 PPA, and retrieve related policy, financial, and procurement information. 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 localcr@worldbank.org using the above PPA number and Project Name as a reference.

Yours sincerely,

By

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
3. Terms and Conditions of Use of Secure Identification Credentials
4. Form of Interim Financial Report
5. Form of Payments Against Contracts Subject to the World Bank's Prior Review
6. Activity reconciliation statement