Honorable Willie Jimmy
Minister of Finance and Economic Management
Ministry of Finance and Economic Management
Private Mail Bag 058
Port Vila
Vanuatu

Re: TF016279 – GPOBA Improved Electricity Access Project
Additional Instructions: Disbursement Letter
First Restatement of Disbursement Letter

Honorable Minister:

I refer to the Grant Agreement (“Agreement”) between the International Development Association (“World Bank”) acting as administrator of Global Partnership on Output-based Aid (“GPOBA”), and the Republic of Vanuatu (“Recipient”) for the above-referenced project dated 21 May, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF016279 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is the First Restatement of the Disbursement Letter dated 21 May, 2014 for the above referenced project, restating Section II (v) to reduce Minimum Application Size. All other provisions of the Disbursement Letter dated 21 May, 2014, except as amended, shall remain in force and effect.

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 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 and the Agreement, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(ii) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Advance
- Reimbursement
- Direct Payment
(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 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 sign Applications:

The World Bank  
1818 H Street, NW  
Washington, DC 20433  
United States of America  
Attention: [Country Director’s Name] or [Authorized Signatory of Grant Agreement]

(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed and signed applications for withdrawal, together with supporting documents, through Client Connection, the World Bank’s web based portal, following the instructions for electronic delivery. In case the recipient does not have internet access, the World Bank may permit the delivery of applications 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 1634  
Attention: Loans Department

(iii) **Electronic Delivery (subsection 3.4).** 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 Payments is equivalent of USD 10,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Pooled Account with sub-ledger for each implementing entity
- **Currency of Designated Account (subsection 5.4):** Vatu (Local Currency)
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Reserve Bank
- **Ceiling (subsection 6.1):** VUV 10,000,000.

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:**
  - Statement of Expenditure as per form specified (Attachment 4) for Category 1 and Category 3
  - Statement of Output Based Subsidies as per form specified (Attachment 4A) for Category 2
  - Output Verification Report for Category 2 (As set out in the Project Operations Manual)
  - List of payments against contracts that are subject to the World Bank’s prior review, as per Form specified (Attachment 5) and records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices)

- **For reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditure as per form specified (Attachment 4) for Category 1 and Category 3
  - Statement of Output Based Subsidies as per form specified (Attachment 4A) for Category 2
- Output Verification Report for Category 2 (As set out in the Project Operations Manual)
- List of payments against contracts that are subject to the World Bank's prior review, as per Form specified (Attachment 5) and records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices); and
- Designated Account Reconciliation/Activity Statement as per Form specified (Attachment 6), with a copy of the bank statement.

**For requests for Direct Payment:**

- Records evidencing eligible expenditures, e.g. copies of receipts, supplier invoices, and invoices for subsidies for Category 2.
- Statement of Output Based Subsidies as per form specified (Attachment 4A) for Category 2
- Output Verification Report for Category 2 (As set out in the Project Operations Manual)

**(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 (http://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. 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 WFALD-TF, at wfeld-tf@worldbank.org using the trust fund number as reference.

Yours sincerely,
INTERNATIONAL DEVELOPMENT ASSOCIATION

Vidya Narasimhan  
Finance Officer

Attachments as per Original Disbursement Letter