Mr. Dong-Suk Oak  
President  
Korean Institute of Public Finance  
79-6 Garak-Dong Songpa-Ku  
Seoul, Korea  

Re: Public Expenditure Management Network in Asia Grant No. TF016153  
Additional Instructions: Disbursement  
Second Restatement of the Disbursement Letter  

Dear Sir:  

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of Public Expenditure Management Network in Asia, and Korean Institute of Public Finance ("Recipient") for the above-referenced project dated 26 December, 2013, herewith. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF016153 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.  

This Disbursement Letter is second Restatement of the Disbursement Letter dated 20 December, 2013 for the above referenced project restating Section II (vi) Currency of Designated Account from USD to KRW and Ceiling of Designated Account. All other provisions of the original Disbursement Letter shall remain in force and effect, as amended.  

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, 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:  
- Advance  
- Reimbursement  
- 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  
1818 H Street, N.W.  
Washington, DC 20433  
United States of America  
Attention: Axen van Trotsenburg, Regional Vice President

(ii) **Applications (subsections 3.2).** 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 applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

The World Bank  
(Attn: Loan Department)  
26th Floor, One Global Place  
5th Avenue cor 25th Street  
Bonifacio Global City  
Taguig City, Philippines

(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 SIDC”) 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 Reimbursements and Direct Payments is USD 80,000.
(vi) Advances (sections 5 and 6).

- **Type of Designated Account[s] (subsection 5.3):** Segregated
- **Currency of Designated Account[s] (subsection 5.4):** KRW
- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Seoul Korea Woori Bank, Karak Chungang Branch
- **Ceiling (subsection 6.1):** KRW 1,000,000,000

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 reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditure in the form specified;
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts/payments valued at USD 720,000, or more;
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form specified; and
  - A Reconciliation of the Designated Account, in the form specified.

- **For requests for Reimbursement:**
  - Statement of Expenditure in the form attached (Attachment 4);
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts/payments valued at USD 720,000, or more; 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

(ii) **Frequency of Reporting Expenditures paid from the Designated Account (subsection 6.3):** Semi Annual or more often if required.

IV. 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
website “Client Connection” at https://clientconnection.worldbank.org. Print copies are available upon request.

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 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>.

If you have any queries in relation to the above, please contact CTRLD-TF by sending an email to ctrld-tf@worldbank.org and using the trust fund number as a reference.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

Vidya Narasimhan
Finance Officer

Attachments as per Original Disbursement Letter