Honorable Natan Teewe
Minister of Finance
Ministry of Finance and Economic Development
P.O. Box 67
Bairiki, Tarawa
Republic of Kiribati

Re: Food Price Crisis Response Multi-Donor Trust Fund Grant No. TF099560
(Food Crisis Response Operation Project)
Additional Instructions: Disbursement

Dear Honorable Minister:

I refer to the Grant Agreement ("Agreement") between Republic of Kiribati ("Recipient") and International Development Association ("World Bank"), acting as administrator of the Food Price Crisis Response Multi-Donor Trust Fund, for the above-referenced project, dated May 6, 2011. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF099560 ("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 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 Method (section 2). The following Disbursement Method may be used under the Grant:

- Reimbursement

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.
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
Level 19, 14 Martin Place
CML Building
Sydney NSW 2000, Australia
Attention: Country Director

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

The World Bank
23/F, The Taipan Place Building
F. Ortigas Jr. Road, Ortigas Center
Pasig City, Metro Manila, Philippines
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The Association 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 Association 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 devices ("Tokens") from the Association 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 Association agrees, the Association will provide the Recipient with Tokens 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 Association 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 Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens") provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

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:

(ii) Frequency of Reporting Eligible Expenditures (subsection 6.3): Quarterly.
IV. Other Supporting Documentation Instructions

Supporting documentation such as Shipping orders, Bills of lading and Invoices shall be kept and maintained for World Bank’s supervision missions and audits.

V. 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). 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 Thao Le Nguyen, senior finance officer or a team member of the Loan Department in Manila, the Philippines at loaeap@worldbank.org atctrdm-manila@worldbank.org using the above reference.

Yours sincerely,

By/s/ Ferid Belhaj

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Ferid Belhaj
Country Director
Timor-Leste, Papua New Guinea & Pacific Islands Operations
East Asia and Pacific Region
Attachments

2. Form for Authorized Signatures
4. Form of Interim Financial Report

cc with copies: Mr. Atanteora Beiatau, Secretary
Ministry of Finance and Economic Development
Telephone No.: (686) 21806/21802
Email: abeiatau@mfep.gov.ki