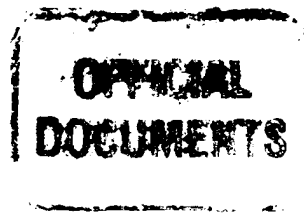




THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP



L118400-010

May 2, 2016.

The Honourable Dr. Audley Shaw
Minister of Finance and Planning
Ministry of Finance and Planning
30 National Heroes Circle
Kingston 4
Jamaica

**Re: IBRD Loan 8406-JM (Jamaica Strategic Public Sector Transformation Project)
Additional Instructions: AMENDED Disbursement Letter**

Dear Minister of Finance:

I refer to the Loan Agreement between International Bank for Reconstruction and Development (the “Bank”) and Jamaica (the “Borrower”) for the above-referenced project, dated September 3, 2014. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8406-JM (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This is the first amendment of the Disbursement Letter dated September 3, 2014 for the above referenced project. This letter restates Section I in order to include the direct payment method of disbursement and Section III to establish the IFRs as the supporting documentation required for disbursements under the Project. All other provisions and attachments of the Disbursement Letter dated August 1, 2014 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 Loan 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 four (4) months after the Closing Date specified in Section IV.B.2 of Schedule 2 to the Loan Agreement. Any changes to this date will be notified by the Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Conditions in Section IV.B.1 of Schedule 2 to the Loan Agreement.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1).

An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the 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
United States of America
Attention: Ms. **Sophie Sirtaine**, Country Director

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

The World Bank
SCN, Quadra 02, Lote A
Edificio Corporate Financial Center
7º andar
70712-900 Brasilia, D.F.
Brazil
Attention: Loan Operations

(iii) Electronic Delivery (subsection 3.4) The Bank may permit the Borrower to electronically deliver to the Bank, Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower 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 Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower 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 Borrower may continue to

exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

(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 Borrower 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 is United States Dollar (USD) 1,400,000 equivalent.

(vi) Advances (sections 5 and 6)

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Bank of Jamaica (Country’s Central Bank)
- **Ceiling (subsection 6.1):** forecast for 2 quarters as provided in the quarterly Interim Financial Report

III. Reporting on Use of Loan 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 for reporting eligible expenditures paid from the Designated Account:**

- 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 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

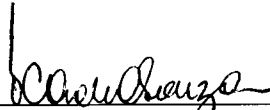
IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Bank's public website at <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 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 prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Tatiana de Abreu, Finance Officer, at tdeabreu@worldbank.org using the above Project Name and Loan number as reference.

Yours sincerely,



Tatiana de Abreu
Finance Officer
WFALN - Loan Operations

Attachments (as previously provided in the original letter):

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 in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013

Revised attachments:

4. Form of Interim Financial Report
5. Form of Payments against Contracts Subject to the Bank's Prior Review

Name of project																			
Sources and Uses of Funds - Amounts in US\$'000																			
FOR THE YEAR ENDING XXX																			
	Current Period									CUMMULATIVE									FORECAST year XXX
	Actual			Budgeted			Variance			Actual			Budgeted			Variance			
	SF 1	SF 2	SF 3	SF 1	SF 2	SF 3	SF 1	SF 2	SF 3	SF 1	SF 2	SF 3	SF 1	SF 2	SF 3	SF 1	SF 2	SF 3	
RECEIPTS																			
Source of Financing																			
Government																			
World Bank																			
Designated Account																			
Direct Payment																			
Retroactive Financing																			
Total Receipts (A)																			
LESS EXPENDITURES																			
Component 1																			
Component 2																			
Component 3																			
Total Expenditures (B)																			
RECEIPTS LESS EXPENDITURES																			
Net Change in Cash (A - B)																			
Foreign Exchange Adjustment																			
BANK BALANCES																			
Opening Cash Balances																			
Designated Account																			
Project Account																			
Total Opening Balance																			
Closing Cash Balances																			
Designated Account																			
Project Account																			
Total Closing Balance																			

Name of project Cash Forecast - Amounts in US\$'000 FOR THE PERIOD ENDING XXX	
	US\$'000
Eligible Expenditures to be financed by the World Bank for the Next 2 PERIODS By Component	
Less: Direct payments to be made by the World Bank	
Eligible Expenditures to be financed by the World Bank from the Designated Accounts	
Less:	
Current Balance in the Designated Account	
Current Balance in the Project Account	
Amount Requested to be Advanced to Designated Account	
Split	
Source of Financing 1	
Source of Financing 2	
Source of Financing 3	

Name of project Use of Funds by Disbursement Categories - Amounts in US\$'0000 FOR THE PERIOD ENDING XXX						
Categories	Current Period	CUMMULATIVE				Total Allocation per legal/grant agreements
	Actual	Amount per IFR	Amount per Client Connection	Difference	Comments	
1						
2						
3						

DESIGNATED ACCOUNT RECONCILIATION STATEMENT					
LOAN/CREDIT/PPF/COFINANCIER NUMBER _____					
ACCOUNT NUMBER _____		WITH (BANK) _____		Source of Financing US\$'000	
		US\$'000	SF 1	SF 2	SF 3
1	TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER)				
2	LESS: TOTAL AMOUNT DOCUMENTED BY WORLD BANK				
3	PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)				
4	BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE _____				
5	PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____				
6	PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: _____				
7	PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS <u>APPLICATION NO.</u> WA # XXX WA # XX SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED				
8	LESS: INTEREST EARNED				
9	TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)				
10	DIFFERENCE (3 - 9)				

11 EXPLANATION OF ANY DIFFERENCE SHOWN IN LINE 10

DATE: _____

SIGNATURE: _____

TITLE: _____

World Bank

Payments made during the stated period for contracts subject to Bank's Prior Review

Contract number *	Status of Form 384 ** 1. Sent 2. Unsent	Supplier/Consultant/Firm	Expenditure Category	Contract Date	Contract currency	Contract Amount	World Bank No-objection Date	Amount paid to supplier in this application	Amount financed by the World Bank

* Please indicate the number of the contract per the Bank's system (available in Client Connection)
** This field indicate whether the contract was signed and Form 384 sent to the Bank for registration