

XIAOQING YU
Director, Western Balkans
Europe and Central Asia Region

Date: October 13, 2023

H.E. Hekuran Murati
Minister of Finance, Labor, and Transfers
Ministry of Finance, Labor, and Transfers
New Government Building, Floor 11
Mother Teresa Street
Pristina, 10000
Republic of Kosovo

Re: Grant No. TF0C1898-XK
Improvement and Rehabilitation of Irrigation Systems Project
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Grant Agreement (“Agreement”) between Republic of Kosovo (“Recipient”) and the International Bank for Reconstruction and Development and International Development Association (“Bank”), acting as administrator of the European Commission – World Bank Partnership Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund, for the above-referenced project. The Standard Conditions, as defined in the Grant Agreement, provide that the Recipient may, from time to time, request withdrawals of Grant amounts from the Grant No. C1898-XK (“Grant”) in accordance with the Disbursement and Financial Information Letter (“DFIL”), and such additional instructions as the Bank may specify from time to time by notice to the Recipient. The Standard Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Grant Funds, and Reporting of Uses of Grant Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 (“Disbursement Guidelines”), are available on the Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the guidelines apply to the Grant is specified below.

(i) Disbursement Arrangements

The table in **Schedule 1** provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatories, processing of Withdrawal Applications (including the minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account(s).

(ii) Withdrawal Applications (Electronic Delivery)¹

¹ Section 10.01 (c) of the General Conditions

The Recipient shall deliver Withdrawal Applications (with supporting documents, “Applications”) electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effective after the officials designated in writing by the Recipient, who are authorized to sign and deliver Applications, have registered as users of “Client Connection”. The designated officials shall deliver Applications electronically by completing Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, which can be delivered manually or electronically, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by these means. The Recipient may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations) and which were previously agreed with the Bank. By designating officials to use SIDC and 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 the Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank’s public website at <https://www.worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>; and (b) to cause such officials to abide by those terms and conditions.

II. Financial Reports and Audits²

(i) Financial Reports

The Recipient through MAFRD shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter interim unaudited financial reports (“IFRs”) for the Project covering the quarter, commencing with the calendar quarter in which the first withdrawal was made.

(ii) Audits

Each audit of the Project Financial Statements shall cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Project Financial Statements for each such period shall be furnished to the Bank by the Recipient through MAFRD not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank’s public website at <https://www.worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>, the Bank recommends that you register as a user of “Client Connection.” From this website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more

² Section 5.09 of the General Conditions



information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,

Massimiliano Paolucci

Massimiliano Paolucci
Country Manager
Republic of Kosovo

Attachments

1. Form of Authorized Signatory Letter (ASL)
2. Form of Statement of Expenditure (SOE)
3. Form of Designated Account Reconciliation Statement (DARS)

With copies: Ministry of Finance, Labor and Transfers
Government Building, 11th floor
10000 Pristina
Republic of Kosovo
Email: debtunit@rks-gov.net

Schedule 1: Disbursement Provisions

Basic Information					
Grant No.	TFOC1898-XK	Country	Republic of Kosovo	Closing Date	Section III.B.2 of Schedule 2 to the Grant Agreement.
		Recipient	Ministry of Finance, Labor, and Transfers		
		Name of the Project	Improvement and Rehabilitation of Irrigation Systems Project	Disbursement Deadline Date	Four (4) months after the closing date.
Disbursement Methods and Supporting Documentation					
Disbursement Methods	Methods	Supporting Documentation			
Direct Payment	Yes	Copy of records (e.g., suppliers' invoices, guarantees for advance and retention payments, etc.)			
Reimbursement	Yes	SOE in the format provided in Attachment 2 of the DFIL			
Advance (into a Designated Account)	Yes	SOE and DARS in the format provided in Attachment 2 and 3 respectively of the DFIL			
Special Commitments	Yes	Copy of Letter of Credit (including pro forma invoice(s), if cited in the Letter of Credit)			
Designated Account					
Type	A segregated DA (DA-A) managed by Kosovo Treasury		Ceiling	Fixed	
Financial Institution - Name	Central Bank of the Republic of Kosovo, as a sub-account linked to the Single Treasury Account		Currency	EUR	
Frequency of Reporting	Preferably monthly		Amount	1,000,000	
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 100,000 equivalent.					
Authorized Signatures					
<i>Withdrawal and Documentation Applications</i>					
<i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</i>					
The ASL and all Withdrawal Applications with their supporting documentation will be submitted electronically via the Bank's "Client Connection" system.					

Attachment 1 – Form of Authorized Signatory Letter (ASL)

[Letterhead]
Ministry of Finance, Labor, and Transfers
New Government Building, Floor 11
Mother Teresa Street
Pristina, 10000
Republic of Kosovo

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

**Re: Grant No. TF0C1898-XK
Improvement and Rehabilitation of Irrigation Systems Project**

Dear [Country Director]:

I refer to the Grant Agreement (the “Agreement”) between the International Bank for Reconstruction and Development and International Development Association (the “Bank”), acting as administrator of the European Commission – World Bank Partnership Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund, and Republic of Kosovo (the “Recipient”), providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [³one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal and applications for a special commitment under this Grant.

For the purpose of delivering Applications to the Bank, ⁴[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ⁵[individually] ⁶[jointly], to deliver Applications and evidence in support thereof on the terms and conditions specified by the Bank.

⁷[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic

³ Instruction to the Recipient when sending this letter to the Bank: Stipulate if more than one person needs to sign Applications, how many or which positions, and if any thresholds apply. *Please delete this footnote in the final letter that is sent to the Bank.*

⁴ Instruction to the Recipient: Stipulate if more than one person needs to *jointly* sign Applications; if so, please indicate the actual number. *Please delete this footnote in the final letter that is sent to the Bank.*

⁵ Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete it. *Please delete this footnote in the final letter that is sent to the Bank.*

⁶ Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete it. *Please delete this footnote in the final letter that is sent to the Bank.*

means. In full recognition that the Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in 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”), the Recipient represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to this Agreement.

Signatory Details

Name	Position	Email ID	Phone No.
[Signatory Name]	[Title]	[Email]	[Phone No.]

Specimen Signatures

Signatory Name	Signature 1	Signature 2	Signature 3
[Name]			

Yours truly,

/ signed /

[Position]

⁷ Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in the final letter that is sent to the Bank.*

Attachment 2 – Form of Statement of Expenditure (SOE)

**Statement of Expenditure (SOE)
for
Goods, Works, Non-Consulting Services, Consulting Services, Training and Operating Costs**

Payments made during the period from _____ to _____

Grant No.: _____
Application No.: _____
Category No.: _____
SOE No.: _____

1	2	3	4	5	6	7	8	9	10	11
Supplier's Name	WB Contract Number in Client Connection (for Prior Review Contracts)	Type of Good or Service (CW/GO/CS/OP/TR) / Brief Description	Currency and Total Amount, and Date of Contract	Currency and Total Amount of Invoice Covered by Application	% Financed by TF	Amount Eligible for Financing (5 x 6)	Currency and Amount Paid from Designated Account (if Applicable)	Exchange Rate	Date of Payment	Remarks
TOTALS										

Supporting documents for this SOE retained at _____
(location)

Attachment 3 – Form of Designated Account Reconciliation Statement (DARS)

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

GRANT NUMBER _____
 ACCOUNT NUMBER _____ WITH (BANK) _____

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) US\$/EUR _____
 2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - US\$/EUR _____
 3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO
 THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = US\$/EUR _____

=====

4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK
 STATEMENT AS OF DATE _____ US\$/EUR _____

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS
 APPLICATION NO. _____ + US\$/EUR _____

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED
 REASON: _____ + US\$/EUR _____

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS
 NOT YET CREDITED AT DATE OF BANK STATEMENTS

<u>APPLICATION NO.</u>	<u>AMOUNT</u>
_____	_____
_____	_____

SUBTOTAL OF PREVIOUS
 APPLICATIONS NOT YET CREDITED + US\$/EUR _____

8. MINUS: INTEREST EARNED - US\$/EUR _____

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = US\$/EUR _____

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

11. DATE: _____ SIGNATURE: _____

TITLE: _____