

THE WORLD BANK
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April 28, 2016

H.E. Mr. Iurie Chirinciuc
Minister
Ministry of Transport and Road Infrastructure
MD-2004
162, Stefan cel Mare bd
Chisinau, Republic of Moldova

Excellency:

**Re: IDA Credit No. 57470 - MD
(Local Roads Improvement Project)
Revised Disbursement Letter dated October 30, 2015
Additional Instructions: Disbursement Letter**

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“Association”) and the Republic of Moldova (the “Recipient”) for the above-referenced project, dated April 28, 2016. This revised Disbursement Letter reflects the conditions for the IDA Credit. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of Credit IDA 57470 - MD (“Credit”). 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 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 Credit:

- Direct
- Reimbursement
- Designated Account
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Association.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Agreement.

II. Withdrawal of Loan and Credit Proceeds

(i) Authorized Signatures (subsection 3.1).

An authorized signatory letter (ASL) 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
1 Dniproviskiy Uzviz
Kyiv, 01010
Ukraine
Attention: Qimiao Fan, Country Director, ECCU2

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank
Radnicka cesta 80, 9th floor
Zagreb, HR - 10 000
Croatia
Attention: Loan Department

(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 twenty (20) percent of the Designated Account ceiling.

(vi) Advances (sections 5 and 6) to Credit

- **Type of Designated Account (subsection 5.3):** Segregated IDA managed by SRA
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** National Bank of Moldova.
- **Ceiling (subsection 6.1):** USD 4,000,000

III. Reporting on Use of Credit Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**

- Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued more than prior review threshold.

- Statement of Expenditure in the form attached for contracts not subject to prior review (Attachment 4);

- List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 5)

- **For reporting eligible expenditures paid from the Designated Account:**

- Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued more than prior review threshold.

- Statement of Expenditure in the form attached for contracts not subject to prior review (Attachment 4);

- List of payments against contracts that are subject to the Association’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

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For requests for Special commitments

- Copy of Letter of Credit

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Monthly

(iii) Other Supporting Documentation Instructions

IV. Other Important Information

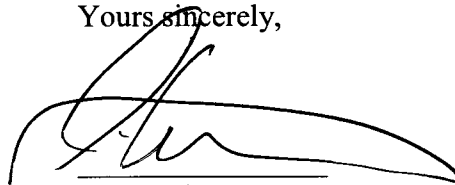
For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Bank's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

From the Client Connection 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.

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 the Senior Finance Officer, at WFALD-ECA@worldbank.org, using the above reference.

Yours sincerely,



Alexander Kremer
Country Manager
Republic of Moldova

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Attachments

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
4. Form of "Statement of Expenditure"
5. Form of Payments Against Contracts Subject to the Association's Prior Review

Prepared by: Luis Schwarz - WFALA

Cleared with and cc: Elena Segura, Country Lawyer, LEGLE
Maria Claudia Pachon/ Simon David Ellis, Task Team Leaders, GTIDR

Cc with copies: H.E. Mr. Octavian Armasu, Minister of Finance
Mr. Elena Matveeva, Head of Debt Department, Ministry of Finance
H.E. Mr. Iurie Chirinciuc, Minister of Transport and Roads
Infrastructure
Mr. Vitalie Rapcea, Deputy Minister of Transport and Roads
Infrastructure
Mr. Tudor Copaci, General Secretary, State Chancellery,
Mr. Veaceslav Teleman, Acting General Director, State Roads
Administration

Name
Minister of Finance
Ministry of Finance
Address

[DATE]

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

Attention:
Director

**Re: IDA Credit No. 57470 - MD
(Local Roads Improvement Project)
Revised Disbursement Letter dated October 30, 2015
Additional Instructions: Disbursement Letter**

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“Association”) and the Republic of Moldova (the “Recipient”) for the above-referenced project, dated _____. For the purposes of Section 2.03 of the General Conditions, as defined in the Agreement, any [one] 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 Financing:

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

¹ Instruction to the recipient when sending this letter to the Association: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.

**Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation**

March 1, 2013

The World Bank (Bank)¹ will provide secure identification credentials (SIDC) to permit the Borrower² to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank's Client Connection (CC) website (<https://clientconnection.worldbank.org>) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

¹ "Bank" includes IBRD and IDA.

² "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

B. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.
3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.
2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.
3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:
4. **Security**

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@worldbank.org.

4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. ***Reservation of Right to Disable SIDC***

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.

6. ***Care of Physical Tokens***

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from

devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at <http://www.rsa.com>.

7. Replacement

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.

Payments Made during Reporting Period**Against Contracts Subject to the World Bank's Prior Review**

Contract Number	Supplier	Contract Date	Contract Amount	Date of WB's Non Objection to Contract	Amount Paid to Supplier during Period	WB's Share of Amt Paid to Supplier during Period

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

TRUST FUND NUMBER _____
 ACCOUNT NUMBER _____ WITH (BANK) _____

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

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- 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>	<u>AMOUNT *</u>
_____	_____
_____	_____

- SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + \$ _____
- 8. MINUS: INTEREST EARNED - \$ _____ *
- 9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = \$ _____
- 10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

11. DATE: _____ SIGNATURE: _____
 TITLE: _____

* ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENT