



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

OFFICIAL DOCUMENTS

Date: DECEMBER 20, 2019

H.E. Nina Angelovska
Minister of Finance
Ministry of Finance
Dame Gruev 12
Skopje, 1000
Republic of North Macedonia

**Re: IBRD Loan 9034-MK
Local Roads Connectivity Project
Additional Instructions: Disbursement and Financial Information Letter**

Dear Ms. Angelovska,

I refer to the Loan Agreement between Republic of North Macedonia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loans Amounts from the Loan Accounts in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General 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 (“DFIL”), and may be revised from time to time.

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

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in 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 Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Electronic Delivery. Section 10.01 (c) of the General Conditions.

The Borrower will deliver Withdrawal Applications (with supporting documents) electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effected after the officials designated in writing by the Borrower who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated



officials will deliver Applications electronically by completing the Form 2380, which is accessible through "Client Connection". By signing the Authorized Signatory Letter, the Borrower 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 electronic means. The Borrower may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations), and which were previously agreed with the Bank. 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, available in the World Bank's public website at <https://worldbank.org> and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits

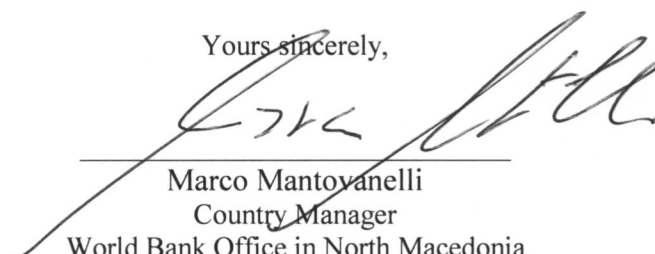
(i) Financial Reports. The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports ("IFR") for the Project covering the quarter.

(ii) Audits. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period, and will be publicly disclosed in a timely fashion and in a manner acceptable to the Bank.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's website (<http://www.worldbank.org/>) and "Client Connection". 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 Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at AskLoan@WorldBank.org using the above reference.

Yours sincerely,



Marco Mantovanelli
Country Manager
World Bank Office in North Macedonia
Europe and Central Asia

Attachments

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



With copies:

Schedule 1 : Disbursement Provisions

Basic Information				
Loan Numbers	IBRD Loan 9034 - MK	Country Borrower Name of the Projects	Republic of North Macedonia Republic of North Macedonia Local Road Connectivity Project	Closing Date Disbursement Deadline Date Subsection 3.7 **
Section III.B.2. of Schedule 2 to the Loan Agreement. Four months after the closing date.				
Disbursement Methods and Supporting Documentation				
Disbursement Methods Section 2 (**)		Supporting Documentation Subsections 4.3 and 4.4 (**)		
Direct Payment		Yes	Copy of records – NOTE: all expenditures to be submitted to the Bank for financing from proceeds of this loan will be exclusive of VAT	
Reimbursement		No	Statement of Expenditure (SOE) in the format provided in Attachment 2 to the DFIL	
Advance (into a Designated Account)		Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 to the DFIL Designated Accounts Reconciliation Statement provided in the Attachment 3 of the DFIL NOTE: all expenditures to be submitted to the Bank for financing from proceeds of this loan will be exclusive of VAT	
Special Commitments		No	n/a	
Designated Account (Sections 5 and 6 **)				
Type	Segregated Ministry of Transport and Communications (MoTC)		Ceiling	Fixed EUR
Financial Institution - Name	National Bank of the Republic of North Macedonia		Currency	EUR
Frequency of Reporting Subsection 6.3 (**)	Quarterly		Amount	10,000,000
Minimum Value of Applications (subsection 3.5)				
The minimum value of applications for Direct Payment is EUR 200,000				
Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter				
Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)				
The World Bank Radnicka cesta 80, 9 th floor Zagreb, HR-10000 Croatia Attention: Loan Department (WFACS)				

** Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.

[Letterhead]
Ministry of Finance
[Street address]

[DATE]

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

Attention: [Country Director]

**Re: IBRD Loan 9034-MK
Local Roads Connectivity Project
Additional Instructions: Disbursement and Financial Information Letter**

Dear Country Director,

I refer to the Loan Agreement between the Republic of North Macedonia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loan Amounts from the Loan Accounts in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ¹[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal under this Loan.

For the purpose of delivering Applications to the World Bank, ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

¹ Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Bank.*

² Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Bank.*

³ Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

⁴ Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World 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 Borrower represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.

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

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

Statement of Expenditure (SOE)

Payments made during the period from _____ to _____

SOE No.:

Yes	No
-----	----

Yes	No
-----	----

[illegible]

Supporting documents for this SOE retained at (location)

Attachment 3 – Form of Designated Account Reconciliation Statement

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER 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

APPLICATION NO.

AMOUNT

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: _____