

OFFICIAL
DOCUMENTS



ARUP BANERJI
Country Director
Europe and Central Asia Region

December 4
Date: _____, 2023

H.E. Sergii Marchenko
Minister of Finance
Ministry of Finance of Ukraine
12/2 Hrushevskoho
Kyiv 01008
Ukraine

**Re: IBRD Loan 9622-UA (Investing in Social Protection for Inclusion, Resilience
and Efficiency (INSPIRE) Project)
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Loan Agreement between Ukraine (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for financing 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 Account 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 Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial management and reporting requirements. This letter constitutes such Disbursement and Financial Information Letter and may be revised from time to time.

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

(i) Disbursement Arrangements

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 (“Disbursement Guidelines”), are available on the Bank’s secure website “Client Connection” at <https://clientconnection.worldbank.org> and its public website at <https://www.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.

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, information on registration of authorized signatories, processing of Withdrawal Applications and instructions on supporting documentation.

(ii) Withdrawal Applications (Electronic Delivery) ¹

The Borrower shall submit applications for withdrawal or for special commitment (“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 Applications, have registered as users of “Client Connection.” The designated officials shall deliver Applications electronically by completing Form 2380,

¹ Section 10.01 (c) of the General Conditions

which is accessible through “Client Connection.” By signing the Authorized Signatory Letter, which can be delivered manually or electronically, 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 these means. The Borrower may exercise the option of preparing and delivering 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 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 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 Audits ²

- **Financial Reports.**

The Borrower shall, through Ministry of Social Policy, 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.

- **Audits.**

Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower, commencing with the calendar year 2023 and the first two calendar quarters of 2024. The audited Financial Statements for each such period shall be furnished to the Bank by the Borrower, through Ministry of Social Policy, not later than six (6) months after the end of such period.

III. Other 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 Authorized Signatory Letters and Withdrawal 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 Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,



Anup Banerji
Regional Country Director
Eastern Europe
Europe and Central Asia Region



² Section 5.09 of the General Conditions



Attachments

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)
3. Form of Interim unaudited Financial Report (IFR)

With copies: Olga Zykova, Deputy Minister
 Ministry of Finance of Ukraine
 11 Mezhigirska str.,
 Kyiv, Ukraine
 infomf@minfin.gov.ua

Schedule 1 : Disbursement Provisions

Basic Information			
IBRD Loan No.	Country	Ukraine	Closing Date Section III.B.8 of Schedule 2 to the Loan Agreement.
	Borrower	Ministry of Finance	
IBRD-9622-UA	Name of the Project	Investing in Social Protection for Inclusion, Resilience and Efficiency (INSPIRE) Project	Disbursement Deadline Date Section 3.7 ** Four (4) months after the closing date
Disbursement Methods and Supporting Documentation			
Disbursement Methods <i>Section 2 (**)</i>	Methods	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>	
Direct Payment	No	Not Applicable	
Reimbursement	Yes	<ul style="list-style-type: none"> • PBC Payment Reconciliation Statement, in the format provided in Attachment 2 of the DFIL • Bank notification confirming that (i) one or more PBCs (as referred to in Annex to Schedule 2 of the Loan Agreement) have been achieved and, (ii) indicating the amounts payable for such PBCs 	
Advance (into a Designated Account)	Yes	<ul style="list-style-type: none"> • PBC Payment Reconciliation Statement, in the format provided in Attachment 2 of the DFIL • Bank notification confirming that (i) one or more PBCs (as referred to in Annex to Schedule 2 of the Loan Agreement) have been achieved and, (ii) indicating the amounts payable for such PBCs 	
Special Commitments	No	Not Applicable	
Designated Account (Sections 5 and 6 **)			
Type	Segregated	Ceiling	Variable
Financial Institution - Name	National Bank of Ukraine	Currency	USD
Frequency of Reporting <i>Subsection 6.3 (**)</i>	Quarterly	Amount	See additional instructions below
Minimum Value of Applications (subsection 3.5)			
Not Applicable			
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 form for Authorized Signatory Letter is provided in Attachment 1 of this letter.			
The ASL and all Withdrawal Applications with their supporting documentation will be submitted electronically via the Bank's "Client Connection" system.			
Additional Instructions			
For each withdrawal request against Category 1, the amount payable shall be the lesser between the amount allocated for the achievement of one or more PBCs and the amount of EEPs by the achievement date of such PBCs.			

PBC payments shall be disbursed primarily through reimbursement. Should the cumulative disbursements do not reach the following thresholds, an advance corresponding to the difference between the said thresholds and cumulative disbursements shall be paid as follows:

- By December 31, 2023, the threshold shall be set at 900 million,
- By March 31, 2024, the threshold shall be set at 1,197 million.

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

Form of Authorized Signatory Letter

[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]

Dear [Country Director]:

**Re: IBRD Loan 9622-UA - Investing in Social Protection for Inclusion, Resilience
and Efficiency (INSPIRE) Project**

I refer to the Loan Agreement (Agreement³) between the International Bank for Reconstruction and Development (“Bank”) and [Borrower Name] (“Borrower”), providing the above Loan. For the purposes of Section 2.02 of the General Conditions as defined in the Agreement, any 3 [one/two/three] of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Borrower to sign and submit an application to request a withdrawal from the Loan Account (“Applications”).

For the purpose of delivering the Applications to the Bank, 4 [one/two/three] of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Borrower, acting [individually / jointly⁵] to deliver the Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

This Authorization also confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank, including by electronic means. The Bank shall rely upon such representations and warranties, including 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 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 the Agreement(s) referred to in the subject line of this Authorization.

³ 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 the final letter that is sent to the Bank.*

⁴ 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 the final letter that is sent to the Bank.*

⁵ Instruction to the Borrower: 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.*

Signatory Details

Name	Position	Email ID
[Signatory Name]	[Title]	[Email]

Specimen Signatures

Signatory Name	Signature 1	Signature 2	Signature 3
[User Name]			
[User Name]			

Yours truly,

/ signed /

[Position]

Attachment 2 – PBC Payment Reconciliation Statement under Category 1

TABLE 1: SUMMARY STATEMENT OF ELIGIBLE EXPENDITURES AS OF MM-DD-YY

	NAME	AMOUNT
1	CUMULATIVE ELIGIBLE EXPENDITURES PAID AT THE END OF CURRENT REPORTING PERIOD OF THE PROJECT (Category 1)	
2	CUMULATIVE PBC PAYMENT MADE AT THE END OF THE PREVIOUS REPORTING PERIOD *	
3	CUMULATIVE OUSTANDING ELIGIBLE EXPENDITURES (line 1 -line 2)	
4	PBC PAYMENT REQUEST UNDER CATEGORY 1**	
5	AMOUNT PAYABLE UNDER CATEGORY 1***	
6	OUTSTANDING ADVANCE PAID PRIOR TO THE PRESENT APPLICATION	
7	OUTSTANDING ADVANCE AFTER THE PRESENT APPLICATION (line 6 – line 3 – line 5)	

** Total of column 2 of Table 2*

*** Total of column 3 of Table 2*

**** Should be the lesser between line 3 and line 4*

TABLE 2: SUMMARY STATEMENT OF PBC STATUS AS OF MM-DD-YY

PBC	Allocation	Cumulative amount paid in the previous report	PBC amount verified in the current report	PBC amount payable in the current report	Cumulative amount paid at the end of the current period
	1	2	3	4	5
PBC#X					
PBC#XX					
PBC#XXX					
PBC#XXXX					
PBC#XXXXX					
TOTAL					