

Date: AUGUST 30, 2022

H.E. Vjekoslav Bevanda
Minister
BiH Ministry of Finance and Treasury
Trg BiH 1
71000 Sarajevo
Bosnia and Herzegovina

Re: IBRD Loan 93590-BA
(Agriculture Resilience and Competitiveness Project)
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Loan Agreement between Bosnia & Herzegovina (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 Account 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 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 cause the Republika Srpska (RS) and the Federation Bosnia and Herzegovina (FBiH) to 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 must cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Bank 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 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 Bank by email at AskLoan@WorldBank.org using the above reference.

Yours sincerely,

Christopher Gilbert Sheldon
Country Manager
Bosnia and Herzegovina

Attachments

1. Form of Authorized Signatory Letter (ASL)
2. Form of Statement of Expenditure (SOE) for all other expenditures
3. Form of Statement of Expenditure (SOE) for Matching-Grants
4. Form of Designated Account Reconciliation Statement (DARS)

With copies: Federal Ministry of Finance
Mehmeda Spahe 5
71000 Sarajevo, Bosnia and Herzegovina
fmf.kab@bih.net.ba

Ministry of Finance of the Republika Srpska



Trg Republike Srpske 1
78000 Banja Luka
mf@mf.vladars.net

Ministry of Agriculture, Water Management and Forestry of Federation of
Bosnia and Herzegovina
Hamdije Čemerlića 2
Sarajevo, Bosnia and Herzegovina
kabinet@fmpvs.gov.ba

Ministry of Agriculture, Forestry and Water Management of Republika
Srpska
Trg Republike Srpske 1
Banja Luka, Bosnia and Herzegovina
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Schedule 1 : Disbursement Provisions

Basic Information			
Loan Number	IBRD 93590-BA	Country Bosnia and Herzegovina	Closing Date Section III.B.2 of Schedule 2 to the Loan Agreement.
	Borrower Bosnia and Herzegovina		
	Name of the Project Agriculture Resilience and Competitiveness Project		Disbursement Deadline Date Section 3.7 **
Disbursement Methods and Supporting Documentation			
Disbursement Methods Section 2 (**)	Methods	Supporting Documentation Subsections 4.3 and 4.4 (**)	
Direct Payment	Yes	Copy of records	
Reimbursement	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 and 3 of the DFIL	
Advance (into a Designated Account)	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 and 3 of the DFIL and Designated Account Reconciliation Statement (DARS) in the format provided in Attachment 4 of the DFIL	
Special Commitments	Yes	Copy of Letter of Credit	
Designated Account (Sections 5 and 6 **)			
Type	2 Segregated Accounts: DA-A for Category (1) to Category (3) for the FBH DA-B for Category (4) to Category (6) for the RS		Ceiling Fixed
Financial Institution - Name	To be established at a financial institution acceptable to the Bank		Currency EUR
Frequency of Reporting Subsection 6.3 (**)	Monthly		Amount DA-A for €2 million DA-B for €2 million
Minimum Value of Applications (subsection 3.5)			
The minimum value of applications for Reimbursement, Direct Payment and Special Commitments is EUR 400,000 equivalent.			
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 Signatories Letter (ASL), provided in Attachment 1 of this letter, should be furnished to the Bank at the address provided below.			
<i>The World Bank, Radnicka cesta 80, 9th floor, Zagreb, HR-10000, Croatia, Attention: Loan Department (WFACS)</i>			
All Withdrawal Applications and its supporting documentation will be electronically sent via the Bank's system ClientConnection.			
Additional Instructions			
Works under Part A.2(b) and B.2(b) is co-financed by the Municipalities up to 15% as specified in the POM. The Bank will finance the expenditure under these Parts after adjusting the co-financing contribution.			

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

Attachment 1 – Form of Authorized Signatory Letter (ASL)

[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 93590-BA
Agriculture Resilience and Competitiveness Project**

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and **Bosnia & Herzegovina** (the “Borrower”), dated _____, providing the above Loan. 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.

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

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.*

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]

Attachment 4 – Form of Designated Account Reconciliation Statement (DARS)

DESIGNATED ACCOUNT RECONCILIATION STATEMENT (DARS)

LOAN 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: _____