



ARUP BANERJI
Regional Country Director
Europe and Central Asia Region

Date: June 29, 2022

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

Re: Grant No.TF0B9038 UA (Additional Financing for Public Expenditures for Administrative Capacity Endurance Project)
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Grant Agreement (“Agreement”) between the International Bank for Reconstruction and Development/International Development Association (“World Bank”), acting as administrator of the Multi-Donor Trust Fund for the Co-financing of the Public Expenditures for Administrative Capacity Endurance in Ukraine Project, and Ukraine (the “Recipient”) for the above-referenced project of the same date. The Standard Conditions, as defined in the Grant Agreement, provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B9038-UA (“Grant”), and may set out Project specific financial reporting requirements. This letter (“Disbursement and Financial Information Letter”), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The *World Bank Disbursement Guidelines for Projects*, dated February 1, 2017, (“Disbursement Guidelines”) are available in the World Bank’s public website at <https://www.worldbank.org>, and are an integral part of the Disbursement and Financial Information Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant 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

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

(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01 (c) of the Standard Conditions.

The Recipient shall 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 Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of "Client Connection". The designated officials shall deliver Applications electronically by completing the Form 2380, which is accessible through "Client Connection". By signing the Authorized Signatory Letter, 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 electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal 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 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 Section 2.07 (a) and (b) of the Standard Conditions.

(i) Financial Reports.

The interim unaudited financial reports ("IFR") for the Project are not required.

(ii) Audits.

The audit of the Financial Statements shall cover the implementation period of the Project. The audited Financial Statements for such period shall be furnished to the Bank 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 World Bank's website (<http://www.worldbank.org>) and "Client Connection". The World 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 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 AskLoans@WorldBank.org using the above reference.

Yours sincerely,



Arup Banerji

Attachments

1. Form of Authorized Signatory Letter
2. Form of Summary of Expenditure
3. Form of Advance Account Activity Statement

Cc with copies: Mr. Denys Uliutin, First Deputy Minister, Ministry of Finance of Ukraine
Mr. Roman Yermolychev, Deputy Minister, Ministry of Finance of Ukraine
Ms. Ludmyla Rozhkova, Director, Budget Bodies Expenditures Department,
Ministry of Finance of Ukraine
Mr. Oleksandr Overchuk, Acting Director, Humanitarian Expenditures
Department, Ministry of Finance of Ukraine
Ms. Kateryna Elisheeva, Director, Department for Financial Projects, Ministry
of Finance of Ukraine
Ms. Alina Pohribna, Deputy Head of Section for Cooperation with World Bank
Group, Department for Financial Projects, Ministry of Finance of Ukraine
Ms. Olena Fil', Director of the Legal Department of the Ministry of Finance of
Ukraine

Schedule 1 - Disbursement Provisions

		A. Basic Information			
Grant Number	TF-0B9038 - UA	Country	Ukraine	Closing Date	Section III.B.4. of Schedule 2 to the Grant Agreement.
		Recipient Name of the Project	Ministry of Finance Additional Financing for Public Expenditures for Administrative Capacity Endurance Project	Disbursement Deadline Date¹	Four (4) months after the closing date
B. Disbursement Methods and Supporting Documentation					
Disbursement Methods²	Methods	Supporting Documentation³			
Direct Payment	Yes	Invoices			
Reimbursement	Yes	Summary of Expenditure, in the format provided in Attachment 2 of the DFIL			
Advance	Yes	Summary of Expenditure, in the format provided in Attachment 2 of the DFIL Advance Account Reconciliation Statement, in the format provided in Attachment 3 of the DFIL			
Special Commitments	No	Not Applicable			
C. Advance⁴					
Type and Management Unit	Segregated	Ceiling	Variable		
Financial Institution – Name	Ukreximbank State Treasury account for advances under the project	Currency	USD		
Frequency of Reporting⁵	Monthly	Amount	3 month-expenditure forecast.		
D. Minimum Value of Applications⁶					
The minimum value of applications for Reimbursement is USD 50,000..					
E. Authorized Signatories⁷ Withdrawal and Documentation Applications⁸					
The form for Authorized Signatory Letter is provided in Attachment 1 of this letter.					
All Applications and its supporting documentation, and Authorized Signatory Letter will be electronically sent via the Bank's system "Client Connection". Additional Instructions					

For notes in Schedule 1: Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.

- ¹ Subsection 3.7
- ² Section 2
- ³ Subsections 4.3 and 4.4
- ⁴ Sections 5 and 6
- ⁵ Subsection 6.3
- ⁶ subsection 3.5
- ⁷ Subsection 3.1 and 3.2
- ⁸ Subsection 3.3 and 3.4

The amount of Eligible Expenditures incurred in any given month under Category (1) of the Grant Agreement shall be the difference of the total amount verified as per the verification protocols, deducted of any amounts paid from IDA Financing and/or IBRD Loan.

** Select the agreed supporting documentation, and add the following "in the format provided in Attachment 2 of this letter"*

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

Form of Authorized Signatory Letter
[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

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

Attention: [Country Director]

Dear [Country Director]:

Re: Grant No. ____ - ____ (_____ Project)

I refer to the [Grant] [Letter] Agreement (“Agreement”) between the [International Bank for Reconstruction and Development/International Development Association] (“[World Bank]”[“Association”])), acting as [*an implementing agency of the Global Environmental Facility*] [*administrator of the Global Partnership on Output-based Aid*] [*administrator of name of the trust fund*], and [*name of recipient*] (the “Recipient”), dated _____, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [⁹one] 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 [World Bank] [Association], ¹⁰[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ¹¹[individually] ¹²[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the [World Bank] [Association].

⁹ Instruction to the Recipient when sending this letter to the World Bank: 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 World Bank/Association.*

¹⁰ 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 final letter that is sent to the World Bank/Association.*

¹¹ Instruction to the Recipient: 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 World Bank/Association.*

¹² Instruction to the Recipient: 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 World Bank/Association.*

¹³[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 [World Bank] [Association] by electronic means. In full recognition that the [World Bank] [Association] 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 [World Bank] [Association] 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] [Association] records with respect to this Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

¹³ 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 final letter that is sent to the World Bank/Association.*

Attachment 2 – Summary of Expenditures

Payments made during the period from _____
to _____

Loan No.: _____

Application No.: _____

SOE No.: _____

DESCRIPTION	ACTUAL (in USD)		PLANNED (in USD)		VARIANCE		PROJECT LIFE
	Current Period	Year-To-Date	Current Period	Year-To-Date	Current Period	Year-To-Date	
TOTAL							

Supporting documents for this Summary retained at _____
(location)

Advance Account Activity Statement
For the Reporting Period: for the month, 20YY

Project Name:
TF-XXXXX

PART I	
1. Cumulative advances to end of current reporting period	
2. Cumulative expenditures to end of last reporting period	
3. Outstanding Advance to be accounted for (line 1 - line 2)	
PART II	
4. Amount in the account at the end of the reporting period	
5. Expenditures for current reporting period	
6. Amount claimed in previous WAs but not yet credited in the account	
<u>Application No.</u>	<u>Amount</u>
Total of Previous WAs not yet credited	
7. Amount withdrawn from the advance not yet submitted as expenditures	
8. Total Advance Reconciled (line 4 + line 5 + line 6 + line 7)	
9. Explanation of any difference between line 3 and line 8 (in a separate document)	
PART III	
10. Total forecasted amount	
11. Cash requirement from World Bank for next reporting periods (line 10 - line 8)	