

**The World Bank**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**Saroj Kumar Jha**Regional Director, Middle East Department
Middle East & North Africa RegionBourie House 119, 5th Floor
Abdallah Bayhum Street
Marfaa, Solidere
P.O. Box 11-8577
Beirut, LebanonTel.: (961-1) 963 300
Fax: (961-1) 963 433
Email: sjha@worldbank.org

Friday January 29, 2021

H.E Ghazi Wazni
Minister of Finance
Ministry of Finance
Republic of Lebanon**Re: IBRD Loan 9198-LB
(Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project)
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Loan Agreement between the Lebanese Republic (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, and conditions, 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 must 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 World Bank by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,



Saroj Kumar Jha
Regional Director, Middle East Department
Middle East and North Africa Region



Attachments

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

With copies: [Central Management Unit (CMU)
in Presidency of the Council of Ministers]
[street address]
[city],
[country]
[email address]

[Ministry of Education and Higher Education]

[Ministry of Social Affairs]

Schedule 1 : Disbursement Provisions

Basic Information			
Loan Number	Country	Lebanese Republic	Closing Date
	Borrower	Lebanese Republic	
9198-LB	Name of the Project	Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project	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 (**)	Methods	Supporting Documentation Subsections 4.3 and 4.4 (**)	
Direct Payment	Yes	Copy of records	
Reimbursement	Yes	Interim unaudited Financial Report (IFR) in the format provided in Attachment 2 of the DFIL for category (1) Statement of Expenditure (SOE) in the format provided in Attachment 3 of the DFIL for Category (2)	
Advance (into a Designated Account)	Yes		
Special Commitments	Yes	Copy of Letter of Credit	
Designated Account (Sections 5 and 6 **)			
Type	Segregated Designated Accounts (DAs) managed by the Central Management Unit (CMU) in the Presidency of the Council of Ministers (PCM): DA-A for category (1) DA-B for category (2)		DA-A: variable DA-B: fixed
Financial Institution - Name	Central Bank of Lebanon (BDL) for both DAs		Currency
Frequency of Reporting Subsection 6.3 (**)	DA-A: quarterly DA-B: monthly		Amount
			USD for both DAs DA-A: two-quarter forecast as per IFRs approved by TTL DA-B: 5,000,000
Minimum Value of Applications (subsection 3.5)			
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 100,000 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 World Bank Radnicka cesta 80, 9th floor Zagreb, HR-10000, Croatia Attention: Loan Department (WFACS)			
All Withdrawal Applications and its supporting documentation will be electronically sent via the Bank's system ClientConnection.			
Additional Information			
Funds will be channeled through the Designated Account to the UN agency based on the Standard Agreement.			
Other			
N/A			

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

Attachment 1 – 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]

Re: IBRD Loan _____ - _____ [name of [Program] [Operation]]

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and [name of borrower] (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 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.

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 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 2 - Interim unaudited Financial Statements-to be attached Separately as provided by FMS

Attachment 3 - Statement of Expenditures

Date: _____
 Application No. _____
 Loan No. _____
 Category No. _____

Statement of Expenditure (SOE)

Payment made during the period from _____ to _____

The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick)

Yes No

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No.	Contractor Name	Description of expenditures (Goods/Works/Services)	Contract Currency	Contract Amount	Is the contract subject to Bank's prior review?	Amount Paid	Eligible % from Loan/Credit/Grant Agreement	WB's share of Amt. Paid (in contract ccy)	Exchange Rate	Amount paid from Designated Account (if applicable)	Payment Date	Records evidencing claimed expenses provided	Remarks or invoice references, including no-objection date
					Yes/No							Yes/No	

We confirm that the reported payments are for eligible expenses, do not relate to any debarred firms or individuals and do not exceed respective contract amounts. Records for this SOE are retained at _____

(insert location)