

H.E. Ivane Matchavariani
Minister of Finance
Ministry of Finance
16 V. Gorgasali Street
0105 Tbilisi, Georgia

Re: IBRD Loan No. 9043-GE
Irrigation and Land Market Development Project
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

Excellency:

I refer to the Loan Agreement (“Agreement”) between International Bank for Reconstruction and Development (“Bank”), and Georgia (“Borrower”) 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 specify Project specific financial reporting requirements.

I. Disbursement Arrangements, Withdrawal and Reporting of Loan Proceeds

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 this DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements

- **General Provisions** (Schedule 1). 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. Refer to section 10.01 (c) of the General Conditions.

The Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the Bank’s web-based portal (<https://clientconnection.worldbank.org>) “Client Connection”. This option may be effected if 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 may 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 Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. 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 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. The Borrower shall have the Project's Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit shall cover the period of one fiscal year of the Borrower. For each such period, the audited Financial Statements for the Project shall be (a) furnished to the Bank not later than six (6) months after the end of such period; and (b) made publicly available 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 public website 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, please contact the Bank by email at askloans@worldbank.org.

Yours sincerely,

Sebastian-A Molineus

Sebastian-A Molineus
Regional Director for the South Caucasus

Attachments

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)

Cc with copies: H.E. Mr. Levan Davitashvili
Minister of Environmental Protection and Agriculture (MEPA)
Ministry of Environmental Protection and Agriculture
Tbilisi, Georgia

H.E. Mrs. Tea Tsulukiani
Ministry of Justice, National Agency for Public Registry (NAPR).
Tbilisi, Georgia

Schedule 1 : Disbursement Arrangements

Basic Information					
Loan Number	IBRD 9043-GE	Country	Georgia	Closing Date	Section IV.B.2. of Schedule 2 to the Loan Agreement
		Borrower	Georgia		
		Name of the Project	Irrigation and Land Market Development Project	Disbursement Deadline Date <i>(Subsection 3.7 **)</i>	Four 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	Yes	Copy of records (e.g. suppliers' invoices, guarantees for advance and retention payments, etc.)			
Reimbursement	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 to the DFIL			
Designated Account	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 to the DFIL			
Special Commitments	Yes	Copy of Letter of Credit			
Designated Accounts (Sections 5 and 6 **)					
Type	Segregated: DA-C – Managed by MEPA DA-D – Managed by NAPR	Ceiling	Fixed		
Financial Institution - Name	National Bank of Georgia	Currency	EUR		
Frequency of Reporting (Subsection 6.3 **)	Quarterly	Amount	DA-C – EUR 900,000 DA-D – EUR 1,000,000		
Minimum Value of Applications (Subsection 3.5)					
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is EUR 200,000 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, 9 th floor Zagreb, HR-10000 Croatia Attention: Loan Department (WFACS)					
Additional Instructions					
Other					

*** 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]
[City] [Country]

[DATE]

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

Attention: *Country Director*

Re: Loan No. **9043-GE** (*Irrigation and Land Market Development Project*)

I refer to the Loan Agreement (“Agreement”) between International Bank for Reconstruction and Development (the “Bank”) and Georgia (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 and applications for a special commitment under this Loan.

For the purpose of delivering Applications to the Bank, including by electronic means, 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 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 Bank by electronic means. In full recognition that the 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

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.*

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 this Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

Attachment 2 – Form of Statement of Expenditure

Statement of Expenditure (SOE)

Payments made during the period from _____ to _____

Loan No.: _____
Application No.: _____
Category No.: _____
SOE No.: _____

The following expenditures have been incurred during the retroactive financing period (please tick)

Yes	No
Yes	No

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

1	2	3	4	5	6	7	8	9	10	11
Supplier's Name	WB Contract Number in Client Connection (for Prior Review Contracts)	Type of Good or Service (CW/GO/CS/OP/TR) / Brief Description	Currency and Total Amount, and Date of Contract	Currency and Total Amount of Invoice Covered by Application	% Financed by IBRD/IDA/TF	Amount Eligible for Financing (5 x 6)	Currency and Amount Paid from Designated Account (if Applicable)	Exchange Rate	Date of Payment	Remarks
TOTALS										

Supporting documents for this SOE retained at _____ (location)