

Date: 15/3/2022

H.E. Tigran Khachatryan  
Minister of Finance  
1 Melik-Adamian Street  
375010, Yerevan  
Armenia

**Re: IBRD Loan 9338-AM**  
**Fourth Public Sector Modernization Project (PSMP4)**  
**Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Loan Agreement between Republic of Armenia (the “Borrower”) and the International Bank for Reconstruction and Development (“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 signatories, 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(s).

**(ii) Withdrawal Applications Electronic Delivery<sup>1</sup>**

The Borrower will deliver Withdrawal Applications (with supporting documents, “Applications”) 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 will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection.” By signing the Authorized Signatory Letter, the

<sup>1</sup> Section 10.01 (c) of the General Conditions

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 Applications in paper form in 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://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<sup>2</sup>


(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 semester, semi-annual interim unaudited financial reports ("IFRs") for the Project covering the semester, in form and substance satisfactory to the Bank.

(ii) **Audits.** Each audit of the Project's Financial Statements shall cover the period of one (1) 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 shall be (a) furnished to the Bank not later than six (6) months after the end of such period; (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

## III. Other Important 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 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](mailto:askloans@worldbank.org) using the above reference.

Yours sincerely,




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Carolin Geginat  
Country Manager for Armenia

### Attachments

1. Form of Authorized Signatory Letter
2. Form of Interim unaudited Financial Report (IFR)

With copies:

Project Management Group  
Government House 1  
Yerevan, Armenia  
email address: [info@psmp.am](mailto:info@psmp.am)

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<sup>2</sup> Section 5.09 of the General Conditions



## Schedule 1 : Disbursement Provisions

A. Basic Information					
Loan Number	Country	REPUBLIC OF ARMENIA	Section III.B.2. of Schedule 2 to the Loan Agreement.		
	Borrower	MINISTRY OF FINANCE			
	IBRD 9338- AM	Name of the Project	PSMP4	Closing Date	Disbursement Deadline Date
B. Disbursement Methods and Supporting Documentation					
Disbursement Methods	Methods	Supporting Documentation			
Direct Payment	Yes	Records (Supplier Invoices/Copy of Receipts)			
Reimbursement	Yes				
Advance (into a Designated Account)	Yes	Interim Financial Report, in the format provided in Attachment 2 of the DFIL			
Special Commitments	Yes	Copy of Letter of Credit			
C. Designated Account					
Type and Management Unit	Segregated managed by PMG				
Financial Institution - Name	Single Treasury Account of the Ministry of Finance at the Central Bank of Armenia				
Frequency of Reporting	Semiannual	Ceiling	Variable		
		Currency	Euro		
		Amount	Three quarters forecast as approved by TTL.		
D. Minimum Value of Applications					
The minimum value of applications for Direct Payment, Reimbursement and Commitment Issuance-SC is Euro 200,000.					
E. Authorized Signatories					
<i>Withdrawal and Documentation Applications</i>					
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".					
F. Additional [Information][Instructions]					
All withdrawal applications are to be submitted to the bank for processing net of applicable taxes.					

## 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

Dear [Country Director]:

**Re: IBRD Loan 9338 - AM**  
**Fourth Public Sector Modernization Project (PSMP4)**  
**Additional Instructions: Disbursement and Financial Information Letter**

I refer to the Loan Agreement between Republic of Armenia (the “Borrower”) and the International Bank for Reconstruction and Development (“Bank”) for the above-referenced Project. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any <sup>3</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign Withdraw Applications (“Applications”) under this Loan.

For the purpose of delivering Applications to the Bank,<sup>4</sup> [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting <sup>5</sup>[individually] <sup>6</sup>[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 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.

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<sup>3</sup> 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.*

<sup>4</sup> 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.*

<sup>5</sup> 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.*

<sup>6</sup> 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.*

[Name], [position]

Specimen Signature: \_\_\_\_\_

[Name], [position]

Specimen Signature: \_\_\_\_\_

[Name], [position]

Specimen Signature: \_\_\_\_\_

Yours truly,

/ signed /

\_\_\_\_\_  
[Position]

**Interim Un-audited Financial Report (IFR)****For the Period from *mm/dd/yyyy* to *mm/dd/yyyy* (in USD Currency)****Cash basis**

Project Name:

Loan No.**Table of contents****Financial report**

<b>1</b>	1-A	Project sources and Uses of Funds
<b>2</b>	1-B	Uses of Funds by Project Activity
<b>3</b>	1-C	Statement of Financial Position
<b>4</b>	1-D	Designated Account (DA) Statement



**Project Sources & Uses of Funds**  
**For the Period from mm/dd/yyyy to mm/dd/yyyy (in Euro Currency)**

Loan No. 9338-AM

	Actual			Planned			Variance			PAD Life of Project
	Current semester	Year to Date, YTD	Cumulative to Date	Current semester	Year to Date, YTD	Cumulative to Date	Current semester	Year to Date, YTD	Cumulative to Date	
	<b>Opening Cash Balance</b> Designated Account /WB fund/ Project Account /GOA/ <b>Total</b>									
<b>Add:</b>										
<b>Sources of Funds</b>										
WB fund										
Government co-financing										
Other										
<b>Total</b>										
<b>Foreign Exchange Difference</b>										
<b>Total</b>										
<b>Less:</b>										
<b>Uses of Funds</b>										
(1) :										
(2) :										
<b>Sub-total</b>										
Front-End Fee										
<b>Total</b>										
<b>Closing Cash Balance</b> Designated Account /WB fund/ Project Account /GOA/ <b>Total</b>										

**NOTES:**

**Uses of Funds by Project Activity**  
**For the Period from mm/dd/yyyy to mm/dd/yyyy (in Euro Currency)**

Loan No. 9338-AM

Project Activities	Actual		Planned		Variance		PAD Life of Project
	Current semester	Year to Date` YTD	Cumulative to Date	Current semester	Year to Date` YTD	Cumulative to Date	
1. Component 1	-	-	-	-	-	-	-
2. Component 2							
3. Component 3							
4. Component 4							
<b>Total Project Expenditures</b>							
<b>Front-End Fee</b>							

NOTES:



Project Name/Loan No. \_\_\_\_\_

*Statement of Financial Position*  
as at mm.dd.yyyy

<u>Cash and cash equivalents:</u>	
Designated Account (USD)	X
Government Co-financing Account	X
Interest Account	X
	X
Project expenditures	X
Foreign exchange difference (if net loss)	X
	X
<b>Total assets</b>	<b>X</b>
 <u>Funding:</u>	
World Bank	X
Government	X
Other	X
	X
Foreign exchange difference (if net income)	X
	X
<b>Total liabilities</b>	<b>X</b>

NOTES:

*Designated Account (DA) Statement**as at xx/xx/xxxx***Loan No. 9338-AM**

1	Opening Balance as at yy/yy/yyyy	-
	Add:	
2	Cumulative unexplained discrepancy	-
3	WB Fund advance/replenishment during the current period	-
4	Less: Refund to IBRD from DA during the current period	-
<b>5</b>	<b>Present outstanding amount advanced to DA</b>	<b>0.00</b>
6	Closing balance as at xx/xx/xxxx carried forward to next period	-
7	Add: Amount of eligible expenditures paid during the current period	-
8	Service charges (if debited into DA)	-
9	Less: Interest earned (if credited into DA)	-
<b>#</b>	<b>Total advance accounted for</b>	<b>0.00</b>
11	Discrepancy(5)-(10) to be explained	-

**NOTES:**