

OFFICIAL DOCUMENTS



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

JUNE 5, 2018

H.E. Arben Ahmetaj
Minister
Ministry of Finance and Economy
Boulevard "Deshmoret e Kombit" No. 3
Republic of Albania

**Re: IBRD Loan No. 8141 – AL and IBRD Loan No. 8841-AF - AL
(Additional Financing for Social Assistance Modernization Project)
Additional Instructions: Disbursement and Financial Information Letter (DFIL)**

Excellency:

I refer to the Loan Agreements ("Agreements") between the International Bank for Reconstruction and Development (the "Bank"), and Republic of Albania (the "Borrower") for the above-referenced project, IBRD Loan No. 8141-AL dated June 6, 2012 and IBRD Loan No. 8841 AF-AL dated JUNE 5, 2018 2018, respectively. 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 Loans is specified below.

(i) Disbursement Arrangements

- **Instructions** (Schedule 1). The table provides 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.
- **Disbursement Deadline Date, DDD (subsection 3.7)**. The DDD is four (4) months after the Closing Date. Any changes to this date will be notified by the Bank.

(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 Borrower may continue to exercise the option of preparing and delivering Applications in paper form. 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.

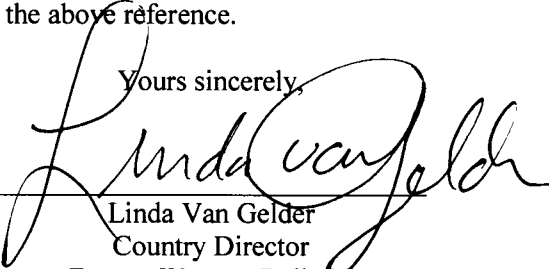
(ii) Audits. The Borrower shall have the Project's Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit shall cover the period of one fiscal year of the Borrower. For each such period, the audited Financial Statements for the Project 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 clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Luis Schwarz, Senior Finance Officer at lschwarz@worldbank.org, with copy to Darjan Dragicevic, Finance Analyst at ddragicevic@worldbank.org using the above reference.

Yours sincerely,



Linda Van Gelder
Country Director
Europe Western Balkans



Attachments

1. Form of Authorized Signatory Letter
- 2.A Form with Statement of Expenditures
- 2.B Form with IFRs

Cc with copies: Ministry of Finance and Economy
Bulevardi "Dëshmorët e Kombit", No.3
Tiranë, Albania
sekretariamin@financa.gov.al

Albania Development Fund
Rruga Sami Frasheri No. 10
Tirana, Albania
adf@albaniandf.org

Schedule 1 : Disbursement Arrangements

Basic Information			
Loan Number	IBRD No. XXXX-AL IBRD No. 8141-AL	Country	Albania
		Borrower	Republic of Albania
		Name of the Project	Social Assistance Modernization Project and Additional Financing for Social Assistance Modernization Project
Disbursement Methods, and Supporting Documentation			
Disbursement Methods Section 2	Methods Available	Supporting Documentation <i>Subsections 4.3 and 4.4</i>	
Direct Payment	Yes	Copy of records	
Reimbursement	Yes	Applicable to Category 1 only. <ul style="list-style-type: none"> With respect to each DLI, evidence satisfactory to the Bank that the specific result has been attained, as per Schedule 4 to the Legal Agreement ("DLIs/DLRs Achievement Disbursement Condition"), Quarterly Interim Financial Report, in local currency, in the form agreed and used for original loan, evidencing payments for Eligible Expenditures Programs have been made to eligible beneficiaries 	
Designated Accounts:	Yes	Applicable to Category 2 only DA A IBRD No. 8141 DA B IBRD No. ____-AF Statement of Expenditures	
Special Commitments	Yes	Not applicable	
Designated Account (Section 5 and 6)			
Type	Segregated: DA A - IBRD No. 8141 existing DA DA B IBRD No. ____-AF	Ceiling	DA A and DA B Fixed
Financial Institution - Name	Bank of Albania (Central Bank)	Currency	DA A EUR DA B USD
Frequency of Reporting, Subsection 6.3	Quarterly	Amount	Euro 250,000 USD 300,000
Minimum Value of Applications (subsection 3.5)			
The Minimum Value of Applications: Not applicable. Reimbursement amount linked to DLRs achievement.			
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/IX
10000 Zagreb, Croatia
Attention: Loan Department

Notice that all information will be sent to the same address, and to the regional TL.

Additional Instructions

The use of a segregated Designated Accounts applicable to the two sources of funds requires the sequencing in the use of funds by financing instrument, IBRD# 8141 first category (2) and loan IBRD# _____, subsequently for category (2). In summary: A) eligible expenditures already financed under category (2) of the original loan IBRD#8141, will continue to be covered under category (2) of the Additional Financing loan IBRD# _____, once the funds from IBRD#8141 would be completely exhausted; B) All new flow of funds related to payments for contracts signed after effectiveness date of the Additional Financing loan IBRD# _____, would be applied to the original loan IBRD# 8141 until it is completely exhausted.

Other Disbursement Instructions

- Disbursements against EEP DLI-based program (Disbursement Category 1) will be done on the Reimbursement basis only, to the Single Treasury Account at the Bank of Albania
- The Bank's Task Team will certify the level of achievement of one or more DLRs and the corresponding amounts for reimbursement purposes.
- Disbursements against Disbursement Category 2 will be made using the Advance and Direct Payment methods only.

[Attachment 1 – Form of Authorized Signatory Letter]

[Letterhead]
Ministry of Finance and Economy
[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. 8141-AL and Loan No. 8841 AF-AL
(Social Assistance Modernization Project and Additional Financing)

I refer to the Loan Agreements (“Agreements”) between the International Bank for Reconstruction and Development (the “Bank”), and Republic of Albania (the “Borrower”) for the above-referenced project, IBRD Loan No. 8141 and IBRD Loan No. 8841 AF-AL dated _____, 2018, respectively providing the above Loans. For the purposes of Section 2.03 of the General Conditions as defined in the Agreements, 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 the Loans.

For the purpose of delivering Applications to the 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 Bank.

⁵[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*

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.*

⁵ Instruction to the Borrower: Add this paragraph if the Borrower 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 Bank.*

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.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

[Attachment 2B - Interim Financial Reports]