

## OFFICIAL DOCUMENTS

February 25, 2020

H.E. Nina Angelovska  
Minister of Finance  
Ministry of Finance  
Dame Gruev 12  
Skopje, 1000  
Republic of North Macedonia

**Re: IBRD Loan 9034 - MK  
Local Road Connectivity Project  
First Revision  
Additional Instructions: Disbursement and Financial Information Letter**

Dear Ms. Angelovska,

I refer to the Loan Agreement between Republic of North Macedonia (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 Amount 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. This first revised DFIL includes a minor editorial change on the Reimbursement disbursement method and supersedes the previous version dated December 20, 2019. 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<sup>2/</sup> which may be used by the Borrower, [and conditions<sup>3/</sup>], information on registration of authorized signatures<sup>4/</sup>, 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<sup>5/</sup>.

#### **(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 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.* Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period, and will be publicly disclosed 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 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 [AskLoan@WorldBank.org](mailto:AskLoan@WorldBank.org) using the above reference.

Yours sincerely,



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Luis Schwarz  
Senior Finance Officer  
Loans Client Services, WFACS

**Attachments**

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)
3. Form of Designated Account Reconciliation Statement

**Schedule 1 : Disbursement Provisions**

<b>Basic Information</b>					
<b>Loan Number</b>	<b>IBRD Loan 9034 - MK</b>	<b>Country</b>	Republic of North Macedonia	<b>Closing Date</b>	Section III.B.2. of Schedule 2 to the Loan Agreement.
		<b>Borrower</b>	Republic of North Macedonia		
		<b>Name of the Projects</b>	Local Road Connectivity Project	<b>Disbursement Deadline Date</b>	Four months after the closing date.
				<i>Subsection 3.7 **</i>	
<b>Disbursement Methods and Supporting Documentation</b>					
<b>Disbursement Methods</b> <i>Section 2 (**)</i>	<b>Methods</b>	<b>Supporting Documentation</b> <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	Yes	Copy of records			
Reimbursement	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 to the DFIL			
Advance (into a Designated Account)	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 to the DFIL Designated Accounts Reconciliation Statement provided in the Attachment 3 of the DFIL			
Special Commitments	No	n/a			
<b>Designated Account (Sections 5 and 6 **)</b>					
<b>Type</b>	Segregated Ministry of Transport and Communications (MoTC)		<b>Ceiling</b>	Fixed	
<b>Financial Institution - Name</b>	National Bank of the Republic of North Macedonia		<b>Currency</b>	EUR	
<b>Frequency of Reporting</b> <i>Subsection 6.3 (**)</i>	Quarterly		<b>Amount</b>	10,000,000	
<b>Minimum Value of Applications (subsection 3.5)</b>					
The minimum value of applications for Direct Payment is EUR 200,000					
<b>Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</b> <b>Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)</b>					
The World Bank Radnicka cesta 80, 9 <sup>th</sup> floor Zagreb, HR-10000 Croatia Attention: Loan Department (WFALN)					

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

[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 \_\_\_\_\_ - \_\_\_\_\_  
Local Road Connectivity Project  
Additional Instructions: Disbursement and Financial Information Letter**

Dear Country Director,

I refer to the Loan Agreement between the Republic of North Macedonia (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 Loans Amounts from the Loan Accounts 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. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any <sup>1</sup>[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, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting <sup>3</sup>[individually] <sup>4</sup>[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

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<sup>1</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>2</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>3</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>4</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.*

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.

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 – 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
<b>TOTALS</b>										

Supporting documents for this SOE retained at \_\_\_\_\_ (location)

### Attachment 3 – Form of Designated Account Reconciliation Statement

#### DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER NUMBER \_\_\_\_\_  
ACCOUNT NUMBER \_\_\_\_\_ WITH (BANK) \_\_\_\_\_

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) US\$/EUR \_\_\_\_\_
2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - US\$/EUR \_\_\_\_\_
3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = US\$/EUR \_\_\_\_\_

- =====
4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE \_\_\_\_\_ US\$/EUR \_\_\_\_\_
5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. \_\_\_\_\_ + US\$/EUR \_\_\_\_\_
6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: \_\_\_\_\_ + US\$/EUR \_\_\_\_\_
7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

<u>APPLICATION NO.</u>	<u>AMOUNT</u>
_____	_____
_____	_____

- SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + US\$/EUR \_\_\_\_\_
8. MINUS: INTEREST EARNED - US\$/EUR \_\_\_\_\_
9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = US\$/EUR \_\_\_\_\_

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

\_\_\_\_\_  
\_\_\_\_\_

11. DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_