Mr. Djamshid Kuchkarov  
Minister of Finance  
Ministry of Finance  
Tashkent  
REPUBLIC OF UZBEKISTAN

Re: IDA Credit 6418-UZ  
(Promoting Early Childhood Development Project)  
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

Dear Mr. Kuchkarov:

I refer to the Financing Agreement between the Republic of Uzbekistan (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time to time request withdrawals of Credit amounts from the Credit Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient. 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 Credit Funds, and Reporting on Uses of Credit Funds


(i) Disbursement Arrangements

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, 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 11.01 (c) of the General Conditions:

The Recipient will electronically deliver applications (with supporting documents) through the Association’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This facility will become available once: (a) the Recipient has designated in writing, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials (“SIDC”) from the Association for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient 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 Recipient confirms that it is authorizing such
persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. The Recipient may exercise the option of preparing and delivering Applications in paper form on an exceptional basis (including when encountering legislative limitations), and when pre-agreed with the Association. The Association reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient 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 Association'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 Recipient shall cause the Project Implementation Unit to prepare and furnish to the Association 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, in form and substance satisfactory to the Association.

(ii) Project Audits. The Recipient shall cause the Project Implementation Unit to have the Project Financial Statements periodically audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of the Project Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Project Financial Statements for each such period shall be (a) furnished to the Association 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 Association.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s website (http://www.worldbank.org/) and “Client Connection”. The Association 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 Credit, 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 Association by email at askloans@worldbank.org.

Yours sincerely,

[Signature]

Lilia Burunciuc
Regional Director
Central Asia
Attachments
1. Form of Authorized Signatory Letter (ASL)
2. Form of Statement of Expenditure (SOE)
3. Form of Designated Account Reconciliation Statement

Cc with copies: Project Implementation Unit (PIU) within the Ministry of Preschool Education (MPSE)
# Schedule 1: Disbursement Provisions

## Basic Information

<table>
<thead>
<tr>
<th>Credit Number</th>
<th>IDA 6418-UZ</th>
<th>Country</th>
<th>Republic of Uzbekistan</th>
<th>Closing Date</th>
<th>Section III.B.2. of Schedule 2 to the Financing Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Recipient</td>
<td>Republic of Uzbekistan</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Name of the Project</td>
<td>Promoting Early Childhood Development Project</td>
<td></td>
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<td></td>
<td>Disbursement Deadline Date</td>
<td>Four (4) months after the Closing Date</td>
</tr>
</tbody>
</table>

## Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods (Section 2 **)</th>
<th>Methods</th>
<th>Supporting Documentation (Subsections 4.3 and 4.4 **)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes (except for SIB payments)</td>
<td>Copy of records (e.g. suppliers’ invoices, guarantees for advance and retention payments, etc.)</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>For SIB payments under Part C.2 of the Project: Simplified Interim Financial Report; Confirmation of SIB results achievement (please see Additional Instructions field below for details)</td>
</tr>
<tr>
<td>Designated Account</td>
<td>Yes (except for SIB payments)</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL; Designated Account Reconciliation Statement in the format provided in Attachment 3 of the DFIL</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes (except for SIB payments)</td>
<td>Copy of Letter of Credit</td>
</tr>
</tbody>
</table>

## Designated Account (Sections 5 and 6 **)  

<table>
<thead>
<tr>
<th>Type</th>
<th>Segregated – new, separate Designated Account to be opened for the Credit</th>
<th>Fixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution - Name</td>
<td>To be established at a financial institution acceptable to the Association</td>
<td>Currency</td>
</tr>
<tr>
<td>Frequency of Reporting (Subsection 6.3 **)</td>
<td>Quarterly, or more frequently if needed</td>
<td>Amount</td>
</tr>
</tbody>
</table>

## Minimum Value of Applications (Subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 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, 9th floor
Zagreb, HR-10000
Croatia
Attention: Loan Department (WFACS)

**Note:** All Withdrawal and Documentation Applications will be electronically delivered to the Association, via the Association’s website Client Connection.
Disbursement arrangements for SIB payments under Part C.2 of the Project:

- Disbursements will be made through the reimbursement method. Credit funds will be disbursed to the dedicated MPSE/GOU account, as defined in the Social Impact Bonds Operations Manual (SIBOM). Flow of funds from that account towards the Lead contractor and SIB investor(s) will also be defined in the SIBOM.

- Withdrawal application for reimbursement will be prepared only once:
  o the relevant DLI(s), as defined in SIBOM, has/have been achieved;
  o DLI(s) achievement has been validated by an independent evaluator; and
  o DLI(s) achievement has been confirmed by the Association through an official letter signed by the Regional Director/Country Manager (as delegated).

- Disbursements will be made based on a simplified Interim Financial Report specifically created for such purpose, the format of which will be provided in the SIBOM. Simplified Interim Financial Report will document the eligible expenditures incurred under the SIB during the relevant period, which will be validated by an independent auditor.

- The Association will reimburse the Recipient for the amount that corresponds either to the DLI(s) allocation or to the amount of eligible expenditures incurred under the SIB during the relevant period, whichever is less.

**Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.**
Attachment 1 – Form of Authorized Signatory Letter

[Letterhead]
[Recipient]
[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: Credit No. 6418-UZ
(Promoting Early Childhood Development Project)

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "Association") and the Republic of Uzbekistan (the "Recipient"), dated ______, providing the above Credit. 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 Recipient to sign applications for withdrawal [and applications for a special commitment] under this Credit.

For the purpose of delivering Applications to the Association, ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association 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

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¹ Instruction to the Recipient: 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 Association.

² Instruction to the Recipient: 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 Association.

³ Instruction to the Recipient: 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 Association.

⁴ Instruction to the Recipient: 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 Association.
SIDC”), the Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Association 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 _____________

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

Supporting documents for this SOE retained at _____________ (location)
DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PP/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

<table>
<thead>
<tr>
<th>APPLICATION NO.</th>
<th>AMOUNT</th>
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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: