H.E. Vjekoslav Bevanda  
Minister  
BiH Ministry of Finance and Treasury  
Trg BiH 1  
71000 Sarajevo  
Bosnia and Herzegovina

Re: IBRD Loan 9097-BA  
Bosnia & Herzegovina Emergency COVID-19 Project  
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

Excellency:

I refer to the Loan Agreement between Bosnia and Herzegovina (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 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 on Uses of Loan Funds


(i) Disbursement Arrangements

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 Accounts.

(ii) Electronic Delivery. Section 10.01 (c) of the General Conditions:

The Borrower will electronically deliver applications (with supporting documents) through the Bank’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This facility will become available once: (a) the Borrower has designated in writing, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials (“SIDC”) from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower 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 Applications in paper form on an exceptional basis (including when encountering legislative limitations), and when pre-agreed with the Bank. 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 cause the FBiH and RS to 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 their respective Parts of the Project covering the quarter, in form and substance satisfactory to the Bank.

(ii) Project Audits. The Borrower shall have the Project financial statements periodically audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of the Project Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Project 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 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 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 Bank by email at askloans@worldbank.org.

Yours sincerely,

[Signature]

Emanuel Salinas Munoz
Country Manager
Bosnia and Herzegovina and Montenegro
Europe and Central Asia

**Attachments**

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
3. Cash Transfers Statement of Expenditure (CT SOE)

Cc with copies:
<table>
<thead>
<tr>
<th>Loan Number</th>
<th>IBRD 9097 -BA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
<td>Bosnia and Herzegovina</td>
</tr>
<tr>
<td><strong>Borrower</strong></td>
<td>Bosnia and Herzegovina</td>
</tr>
<tr>
<td><strong>Name of the Project</strong></td>
<td>Bosnia &amp; Herzegovina Emergency COVID-19</td>
</tr>
</tbody>
</table>

**Closing Date**
Section II.B.2 of Schedule 2 to the Loan Agreement

**Disbursement Deadline Date**
Four months after the Closing Date

### 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</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>Statement of Expenditure (SOE) in the format as in Attachment 2 to DFIL including the corresponding Cash Transfers Statement of Expenditure in the format as in Attachment 3 to DFIL</td>
</tr>
<tr>
<td>Designated Accounts</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format as in Attachment 2 to DFIL including the corresponding Cash Transfers Statement of Expenditure in the format as in Attachment 3 to DFIL</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>No</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Designated Accounts (Sections 5 and 6)

| Type | Segregated - Designated Account A managed by Ministry of Finance and Treasury of Bosnia and Herzegovina for Category 1  
Segregated - Designated Account B managed by Ministry of Finance and Treasury of Bosnia and Herzegovina for Categories 2 and 3 |
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Ceilings</td>
<td>Variable</td>
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</table>

<table>
<thead>
<tr>
<th>Financial Institution - Name</th>
<th>To be established at a financial institution acceptable to the Bank</th>
</tr>
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<tbody>
<tr>
<td>Currency</td>
<td>EUR</td>
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<table>
<thead>
<tr>
<th>Frequency of Reporting (Subsection 6.3)</th>
<th>Quarterly, or more frequently if needed</th>
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</thead>
<tbody>
<tr>
<td>Amount</td>
<td>Advances to be based on forecast of funds required for the semester and approved by the TTL</td>
</tr>
</tbody>
</table>

### Minimum Value of Applications (Subsection 3.5)
The minimum value of applications for Reimbursement, Direct Payment 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, 9th floor
Zagreb, HR-10000, Croatia
Attention: Loan Department (WFACS)

**Note:** All Withdrawal and Documentation Applications will be electronically delivered to the Bank, via the Bank’s website Client Connection.

### Additional Information/Instructions
Withdrawal Categories 1 and 3 - the recognition of eligible expenditures against Withdrawal Category 1 and 3 depends on the Task Team verification of the Cash Transfers Statement of Expenditure (CT SOE) evidencing eligible expenditures.

With respect to Cash Transfers under Categories 1 and 3 the Borrower may request withdrawals of Credit proceeds when the relevant expenditures have been incurred. Such withdrawals are to be done to the Designated Accounts A and B and will be considered as an advance until the final verification of the CTs were completed.

Attachment 1 – Form of Authorized Signatory Letter

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

Attention: [Country Director]

Re: IBRD Loan 9097-BA
Bosnia & Herzegovina Emergency COVID-19 Project
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

I refer to the Loan Agreement ("Agreement") between the International Bank for Reconstruction and Development (the "Bank") and Bosnia and Herzegovina (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, 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

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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.
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.

[Name], [position]  Specimen Signature:
[Name], [position]  Specimen Signature:
[Name], [position]  Specimen Signature:

Yours truly,

/ signed /

[Position]
### Attachment 2a – Form of Statement of Expenditure

#### Statement of Expenditure (SOE)

Payments made during the period from ______ to ______

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<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<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>
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**TOTALS**

Supporting documents for this SOE retained at __________________________

(location)
Attachment 3 – Form of Cash Transfers Statement of Expenditure (To be confirmed by FMS)

Cash Transfers Statement of Expenditure (SOE)

Payments made during the period from ___________ to ___________

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

<table>
<thead>
<tr>
<th>Loan No.</th>
<th>Application No.</th>
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<tbody>
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<table>
<thead>
<tr>
<th>Category No.</th>
<th>SOE No.</th>
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<tbody>
<tr>
<td>Beneficiary’s name</td>
<td>Coresponding PBC No.</td>
<td>Currency and Total Amount of Cash Transfer</td>
<td>% Financed by IDA</td>
<td>Amount Eligible for Financing (4 x 5)</td>
<td>Exchange Rate</td>
<td>Currency and Amount Paid from Designated Account (if Applicable)</td>
<td>Date of Payment</td>
<td>Remarks</td>
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**TOTALS**

Supporting documents for this SOE retained at ________________ (location)