Mercy Tembon  
Regional Director  

Mr. Ivane Machavariani  
Minister  
Ministry of Finance  
16 Gorgasali Street  
Tbilisi  
GEORGIA  

Re: IBRD Loan 8955-GE  
(Innovation, Inclusion and Quality Project- GEORGIA 12Q)  
Additional Instructions: Disbursement and Financial Information Letter  

Dear Mr. Minister:  

I refer to the Loan Agreement between Georgia (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 of Uses of Loan Funds  


(i) Disbursement Arrangements  

The table in Schedule 1 sets out the disbursement methods\(^2\), which may be used by the Borrower, [and conditions\(^3\)], information on registration of authorized signatures\(^4\), 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\(^5\).  

(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 must prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester interim unaudited financial reports (“IFR”) for the Project covering the semester.

(ii) Audits. Each audit of the Project Financial Statements must cover the period of one fiscal year of the Borrower. The audited Project Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period.

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 using the above reference.

Yours sincerely,

[Signature]

Mercy Miyang Tembon
Regional Director for the South Caucasus

Attachments
1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)

With copies: [Ministry of Finance] [street address] [city], [country] [email address]
**Schedule 1: Disbursement Provisions**

### Basic Information

<table>
<thead>
<tr>
<th>Loan Number</th>
<th>IBRD</th>
<th>Country</th>
<th>Georgia</th>
<th>Closing Date</th>
<th>Section III.B.2. of Schedule 3 to the Loan Agreement.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Borrower</td>
<td>Georgia</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name of the Project</td>
<td>Innovation, Inclusion and Quality Project- GEORGIA I2Q</td>
<td>Disbursement Deadline Date</td>
<td>Four months after the closing date.</td>
</tr>
</tbody>
</table>

### Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Section 2</th>
<th>Methods</th>
<th>Supporting Documentation</th>
<th>Subsections 4.3 and 4.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of records</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Interim Un-Audited Financial Reports (IUFRs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance (into a Designated Account)</td>
<td>Yes</td>
<td>Interim Un-Audited Financial Reports (IUFRs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Commitments</td>
<td>No</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Type</th>
<th>DA A – PMU under Ministry of Education, Science, Culture and Sport (MESCS) Segregated</th>
<th>Ceiling</th>
<th>Variable for both account</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DA B – PMT under the Municipal Development Fund (MDF) Segregated</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Institution - Name</strong></td>
<td>Treasury Account of the Ministry of Finance of Georgia held at the National Bank of Georgia for both DAs</td>
<td>Currency</td>
<td>EUR</td>
</tr>
<tr>
<td><strong>Frequency of Reporting Subsection 6.3</strong></td>
<td>Quarterly</td>
<td>Amount</td>
<td>Based on quarterly progress reports for a period not to exceed six-months of estimated eligible expenditures</td>
</tr>
</tbody>
</table>

**Minimum Value of Applications (subsection 3.5)**

The minimum value of applications for Reimbursement, Direct Payment is EUR 200,000.

**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 **)**

All Withdrawal Applications and its supporting documentation will be electronically sent via the Bank’s system ClientConnection.

**Additional Information/Instructions**

None

None

**Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.**
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Re: IBRD Loan ____ - ____ (Georgia I2Q - Innovation, Inclusion and Quality Project)

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and [name of borrower] (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 under this Loan.

For the purpose of delivering Applications to the World 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 World 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.

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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.
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]