



Date: 02.09.2023
FEBRUARY 9, 2023

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

**Re: IBRD Loan 93810-BA
(Second Employment Support Project)
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Loan Agreement between Bosnia & 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 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 which may be used by the Borrower, and conditions, 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 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 cause Republika Srpska and the Federation Bosnia and Herzegovina 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 the Project covering the quarter.

(ii) Audits. Each audit of the Financial Statements must cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited 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,

Christopher Sheldon
Country Manager
Bosnia and Herzegovina and Montenegro

Attachments

1. Form of Authorized Signatory Letter (ASL)
2. Form of Statement of Expenditure (SOE)
3. Form of Statement of Expenditure (SOE) for PBC linked Expenditure



With copies: Federal Ministry of Finance
Mehmeda Spahe 5
71000 Sarajevo, Bosnia and Herzegovina
fmf.kab@bih.net.ba

Ministry of Finance of the Republika Srpska
Trg Republike Srpske 1
78000 Banja Luka, Bosnia and Herzegovina
mf@mf.vladars.net

Federal Ministry of Labor and Social Policy
Hamdije Čemerlića 2
71000 Sarajevo, Bosnia and Herzegovina
info@fmrsp.gov.ba

Ministry of Labor, War Veterans and Disabled Persons' Protection of the
Republika Srpska
Trg Republike Srpske 1, Lamela A
78 000 Banja Luka, Bosnia and Herzegovina
mpb@mpb.vladars.net

Schedule 1 : Disbursement Provisions

Basic Information			
Loan Number	IBRD 93810-BA	Country Borrower	Bosnia and Herzegovina Bosnia and Herzegovina
	Name of the Project		Second Employment Support Project
		Closing Date	Section III.B.7 of Schedule 2 to the Loan Agreement.
		Disbursement Deadline Date	Four (4) months after the closing date. <i>Subsection 3.7 **</i>
Disbursement Methods and Supporting Documentation			
Disbursement Methods	Section 2 (**)	Methods	Supporting Documentation
Direct Payment		Yes	<i>Subsections 4.3 and 4.4 (**)</i>
Reimbursement		Yes	
Advance (into a Designated Account)		Yes	<ul style="list-style-type: none"> • SOE in the format provided in Attachment 2 of the DFIL for Category 2 and 4 • SOE for PBC linked Expenditure in the format provided in Attachment 3 of the DFIL for Category 1 and 3 (refer to Additional Instructions)
Special Commitments		Yes	Copy of Letter of Credit
Designated Account (Sections 5 and 6 **)			
Type	2 Segregated accounts managed by MoFT <ul style="list-style-type: none"> • DA-A and DA-B for Category 1 and 2 respectively, for the FBiH (Single bank account for both the DAs) • DA-C and DA-D for Category 3 and 4 respectively, for the RS (Single bank account for both the DAs) 		
Financial Institution - Name	To be established at a financial institution acceptable to the Bank		
Frequency of Reporting	Monthly under DA-B and DA-D	Ceiling	Fixed
Subsection 6.3 (**)		Currency	EUR
		Amount	€ 2 million for DA-A € 50,000 for DA-B € 1 million for DA-C € 30,000 for DA-D
Minimum Value of Applications (subsection 3.5)			
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is EUR 20,000 equivalent.			
Authorized Signatures (Subsection 3.1 and 3.2 **)			
Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)			
The form for Authorized Signatories Letter (ASL) is provided in Attachment 1 of this letter.			
All Withdrawal Applications and its supporting documentation will be electronically sent via the Bank's system ClientConnection.			
Additional Instructions			
For funds allocated under PBC linked Category 1 and 3:			
1) The disbursements will be made upon receiving from the Borrower evidence that it has met the conditions set out in Section III.B of Schedule 2 to the Loan Agreement related to Category 1 and 3, including but not limited to (i) evidence of satisfactory achievement of the PBCs as acceptable to the Bank			

and (ii) confirmation that eligible project expenditures have been incurred in connection with the PBCs, all in compliance with the verification protocols specified in the Project Operations Manual, and in the form of a report which includes findings and results from the PBC verification.

- 2) Upon request of the Borrower, the Bank may advance funds to the DA-A and DA-C up to the ceiling amount, to finance the eligible project expenditure under the PBC linked Category 1 and 3. The Borrower may transfer (called as "provisional disbursements") funds from the DA-A and DA-C to the Single Treasury Accounts of the FBiH and RS, respectively, for any eligible project expenditure incurred, but the achievement of the PBC has not been demonstrated.
- 3) The eligible project expenditure incurred under Category 1 and 3, up to the maximum amount allocated to the achieved PBCs, reduced by any advance previously disbursed on account of the PBCs, will be disbursed using the Reimbursement method to the Single Treasury Accounts of the FBiH and RS.
- 4) The withdrawal request should be supported with the customized SOE in the format provided in Attachment 3 and the Bank notification confirming that one or more PBCs (as referred under Schedule 4 of the Loan Agreement) have been achieved and indicating the amounts payable for such PBCs.

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

Attachment 1 – Form of Authorized Signatory Letter (ASL)

[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 93810-BA
Second Employment Support Project**

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and Bosnia & 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 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.

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]

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Prepared by: Dilip Kumar Prusty Chinari, Finance Officers, WFACS

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