May 23, 2014

H.E. Radoje Zugic
Minister of Finance
Ministry of Finance
ul. Stanca Dragojevica br. 2
Podgorica, 81000
Montenegro

Your Excellency:

Re: Montenegro
Selected Loans/Grants Listed in Annex I
Amendment of Additional Instructions: Disbursement

We refer to the individual letters titled Additional Instructions: Disbursement (“Disbursement Letters”) for the Loans/Grants extended to Montenegro (“Borrower”/“Recipient”) listed in Annex I of this letter (“Amendment Letter”). We would like to inform you that each of the said Disbursement Letters is hereby amended to include the following additional instructions:

Section II, Withdrawal of Loan/Grant Proceeds, of each Disbursement Letter referred to above is amended to include two new subsections (iii) and (iv) which shall read as follows:

(iii) Electronic Delivery (subsection 3.4) The Bank may permit the Borrower/Recipient to electronically deliver to the Bank Applications (with supporting documents) through the Bank’s Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower/Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, 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/Recipient have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower/Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Borrower/Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower/Recipient.

(iv) Terms and Conditions of Use of SIDC to Process Withdrawal Applications. By designating officials to use SIDC and by choosing to deliver the Withdrawal Applications electronically, the Borrower/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 ("Terms and Conditions of Use of Secure Identification Credentials") provided in Annex II of this Amendment; and (b) to cause such official to abide by those terms and conditions.

All remaining subsections of Section II of the Disbursement Letters are renumbered accordingly. All other provisions of said Disbursement Letters remain in full force and effect. The above-mentioned amendments to the Disbursement Letters shall become effective as of the date of this Amendment Letter.

For the purpose of designating existing authorized signatories to accept SIDC and to sign and deliver Applications electronically, please furnish to the World Bank a revised Authorized Signatory Letter, in the format provided in Annex III, for the Loans/Grants listed in Annex I of this Amendment Letter. Upon receipt by the World Bank of the revised Authorized Signatory Letter, the World Bank will register as users of Client Connection all persons who are authorized by the Borrower/Recipient to sign Applications for the Loans/Grants set forth in Annex I, and will provide those persons with SIDC. If the Borrower/Recipient would like to change the persons authorized to sign Applications for any of the Loans/Grants concerned, please submit a revised Authorized Signatory Letter, in the format provided in Annex IV, for each relevant Loan/Grant.

Regards,

[Signature]

Jasna Mestnik
Finance Officer
Loan Department

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND
INTERNATIONAL DEVELOPMENT ASSOCIATION
<table>
<thead>
<tr>
<th>Financier</th>
<th>Loan/Grant Number</th>
<th>Description</th>
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<tr>
<td>IBRD</td>
<td>76370-001</td>
<td>Montenegro Energy Efficiency Project</td>
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<tr>
<td>IBRD</td>
<td>76470-001</td>
<td>Land Administration and Management</td>
</tr>
<tr>
<td>IBRD</td>
<td>77160-001</td>
<td>Montenegro Institutional Development and Agriculture Strengthening</td>
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<td>93405-001</td>
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Annex II

Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation

March 1, 2013

The World Bank (Bank)\(^1\) will provide secure identification credentials (SIDC) to permit the Borrower\(^2\) to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC) website (https://clientconnection.worldbank.org) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

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\(^1\) "Bank" includes IBRD and IDA.

\(^2\) "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a “SIDC User”. The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.

2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.

3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. Security

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@worldbank.org.
4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. **Reservation of Right to Disable SIDC**

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User’s Account or both.

6. **Care of Physical Tokens**

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. **Replacement**

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User’s Account.
The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America  

Attention: [Country Director]  

Re: Supplementary Authorization Letter for Electronic Disbursement Request  

I refer to the Amendment Letter dated ________, ("Amendment Letter"), amending the letter titled Additional Instructions: Disbursement ("Disbursement Letter") for the Loans/Grants extended to Montenegro ("Borrower"/"Recipient") listed in Annex I of the Amendment Letter, providing additional instructions for the electronic signing and delivery of applications for withdrawal and/or for special commitment ("Applications"). I also refer to the Authorized Signatory Letters submitted to the World Bank in respect of each of the Loans/Grants listed in said Annex I, authorizing designated persons to sign, on behalf of the Borrower/Recipient, Applications under each said Loan/Grant.  

For the purpose of delivering an Application to the World Bank, [each] [any two/three] of the persons whose authenticated specimen signatures appears in the Authorized Signatory Letter for each said Loan/Grant as referred to above is authorized on behalf of the Borrower/Recipient, acting [individually] [jointly], to deliver Applications for withdrawal under the respective Loan/Grant, and evidence in support thereof, including by electronic means, on the terms and conditions specified by the World Bank (including 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 S IDC"), which have been provided by the Borrower/Recipient to such person(s)).  

This Authorization supplements each current Authorized Signatory Letter in the World Bank records with respect to the Loans/Grants listed in Annex I of the Amendment Letter.  

Yours truly,  

/ signed /  

[Position]
Form of Authorized Signatory Letter

[Letterhead]

Ministry of Finance

ul. Stanca Dragojevica br. 2

Podgorica, 81000
Montenegro

The World Bank
1818 H Street, N.W.

Washington, D.C. 20433

United States of America

Attention: [Country Director]

Re: Loan No.____-____ (____________ Project)

I refer to the Loan Agreement ("Agreement") between the International Bank for Reconstruction and Development (the “Bank”) and Montenegro (the “Borrower”), dated ________, providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any 3[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, 4[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting 5[individually] 6[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

7[This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

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3 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.

4 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.

5 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.

6 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.

7 Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept
the Bank by electronic means. In full recognition that the 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 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]

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Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the Bank.