September 19, 2014

H.E. Anatol Arapu
Minister of Finance
Chisinau
Republic of Moldova

Re: SIDA Grant No. TF014946
Agriculture Competitiveness Project
First Revised Disbursement Letter dated November 15, 2013
Additional Instructions: Disbursement

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by the Swedish International Development Cooperation Agency ("Donor"), and Republic of Moldova (the "Recipient") for the above-referenced project, dated November 15, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Grant No. TF014946 ("Grant"). This first revised Disbursement Letter reflects a new name of the financial institution for the Designated Account. This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:
- Reimbursement
- Advance
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.
(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in the Grant Agreement.

## II. Withdrawal of Grant Proceeds

(i) **Authorized Signatures (subsection 3.1).**
A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
1818 H Street, N.W.  
Washington, DC 20433  
United States of America  
Attention: Country Director for Moldova

Applications for this Financing will be signed by the official(s) authorized to sign Applications as indicated in a letter signed by the Minister of Finance

(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with the copy of the commercial bank letter of credit, to the address indicated below:

The World Bank  
Radnička cesta 80/9th Floor  
Zagreb, HR - 10000  
Croatia  
Attention: Loan Department

(iii) **Electronic Delivery (subsection 3.4)** The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the 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 World Bank 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. If the World Bank agrees, the World Bank will provide the 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 Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.
(iv) **Terms and Conditions of Use of SIDC to Process Applications.** By designating officials to accept 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of SIDC”) provided in Attachment [3]; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) **Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications is 20% of the outstanding advance for each of the Designated Account if applicable.

(vi) **Advances (sections 5 and 6).**

- **Type of Designated Account (subsection 5.3):** Segregated - exclusively for the project; however, funds may pooled with IDA 5095 credit proceeds for project activities to be implemented by CAPMU.
- **Currency of Designated Account (subsection 5.4):** US Dollars
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Central Bank of Moldova
- **Ceiling (subsection 6.1):** forecast for 2 quarters as provided in the CAPMU's quarterly Interim Financial Report

III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement and for reporting eligible expenditures paid from each of the Designated Accounts:**
  - The consolidated (CAPMU and AIPA activities) Interim Financial Report in the form attached (Attachment 4)

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** the period set out in the Financing Agreement for provision of Interim Financial Reports – quarterly

IV. Other Disbursement Instructions:

(a) except for Direct Payments, disbursements from this SIDA TF014946 grant and IDA 5095 credit will be supported by the same CAPMU Interim Financial Reports; disbursements for project activities being implemented by CAPMU should be jointly (IDA credit and SIDA TF014946) monitored on a quarterly basis as they complement each other and there are parts of the project that are simultaneously financed, at 100%, from IDA 5095 credit and from this grant;
(b) to the extent possible, for those eligible expenditures that are financed from IDA 5095 credit and from this TF014946 grant, disbursements should first be made from proceeds of this grant; once TF014946 resources are exhausted then disbursements shall be made from IDA 5095.
(c) the CAPMU Interim Financial Report may attribute, of the total of eligible expenditures for the reporting period, amounts to be claimed under IDA 5095 and under TF014946 grant, or from both operations up to 100% of eligible expenditures reported.

V. Other Important Information


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the World Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Finance Officer at LOA-TF@worldbank.org using the above reference.

Yours sincerely,

[Signature]

[Name]
Senior Finance Officer
Republic of Moldova
Attachments

2. Form for Authorized Signatures

Cc with copies: Elena Segura - LEGLE

Ministry of Agriculture and Food Industry
Str. Stefan cel Mare 162, MD 2004, Chisinau, Moldova
Viorel Gutu, Deputy Minister of Agriculture and Food Industry
Tel/fax: +37322232384
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