H.E. Anatol Arapu  
Minister of Finance  
Ministry of Finance  
Cosmonautilor Street, 7  
MD-2005, Chisinau  
Republic of Moldova

Excellency:

Re: IDA Financing 5469-MD (Program Credit) and IDA Financing 5470-MD (Project Credit) for the Health Transformation Operation  
Additional Instructions: Disbursement Letter

I refer to the Financing Agreement between the International Development Association (the “Association”) and Republic of Moldova (the “Recipient”) for the above-referenced Operation, dated July 11, 2014 (the “Financing Agreement”). The Financing Agreement provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of the Financing 5469-MD (Program Credit) and 5470-MD (Project Credit). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

I. Disbursement Arrangements – Program (PforR) Credit Number 5469-MD

(i) Withdrawal Applications. Applications for withdrawal from the Financing Account (“Withdrawal Applications”) of amounts of the Program Financing allocated to individual Disbursement Linked Results (“DLR”) may, pursuant to the provisions of Section IV.A of Schedule 2 of the Financing Agreement, be sent to the Association at any time after the Association has notified the Recipient in writing that it has accepted evidence of achievement of the specific DLR.

(ii) Withdrawal Amount. The Withdrawal Application may be for an amount not to exceed the amount of the Program Financing confirmed by the Association for the specific DLR in respect of which the withdrawal is requested, as specified in the Association’s notice to the Recipient.

(iii) Advances and Recovery of Advances. The Recipient may, in accordance with provisions of Section IV.B.2(a) of Schedule 2 to the Financing Agreement, request advances of amounts of the Program Financing allocated to certain DLRs that have not yet been achieved. The aggregate amount of all such advances made in respect of amounts allocated to DLRs may not exceed the equivalent of XDR 5,000,000. The amount of the advance(s) and the specific DLR(s) to which it relates must be clearly indicated in the Withdrawal Application.

The Association records an amount of the advance as disbursed for an achieved DLR (“recovered”) after it has notified the Recipient of its acceptance of the evidence of achievement.
of the DLR for which the advance was provided. The amount so reclassified becomes available for further advances in accordance with the preceding paragraph.

(v) **Disbursement Deadline Date.** The period of disbursement of the Financing ends six months after the Closing Date ("Disbursement Deadline Date") specified in the Financing Agreement. This is the final date established by the Association for receipt by the Association of Withdrawal Applications. Normally, to support orderly closure of the Program Financing Account, the Association does not accept Withdrawal Applications received after the Disbursement Deadline Date. The Recipient should promptly inform the Association of any expected implementation delays or exceptional administrative issues before these dates. The Association will notify the Recipient of any exception that the Association may make to the Disbursement Deadline Date.

(vi) **Deposits of Financing Amounts.** All withdrawals from the Program Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.

(vii) **Withdrawal Conditions.** Please refer to the Withdrawal Condition(s) under Section IV.B of Schedule 2 of the Financing Agreement Section.

II. **Disbursement Arrangements – Project (IPF) Credit Number 5470-MD**

(i) 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 Credit 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.

(ii) **Disbursement Methods (section 2).** The following Disbursement Methods may be used under the Credit:

- Reimbursement
- Advance
- Direct Payment

(iii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is **four** months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Association.

(iv) **Withdrawal Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) under Section IV.B. of Schedule 3 of the Financing Agreement.

(v) **Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications in for reimbursement is **USD 20,000**.
(vi) **Advances (sections 5 and 6).**

- **Type of Designated Accounts (subsection 5.3):** Segregated
- **Currency of Designated Accounts (subsection 5.4):** USD
- **Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):** Treasury will open a Designated Account in the National Bank of Moldova
- **Ceiling (subsection 6.1):** USD 200,000

(vii) **Supporting documentation (section 4)**

- **For requests for reimbursement and reporting eligible expenditures paid from the Designated Account:**
  - List of payments against contracts that are subject to the Association’s prior review, in the form attached *(Attachment 4)*;
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for goods against contracts valued at US$200,000 equivalent or more; for consultant services against contracts valued at US$100,000 equivalent or more for firms and at US$50,000 equivalent or more for individual consultants;
  - Statement of Expenditures in the form attached *(Attachment 5)* for all other expenditures / contracts.

(viii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Replenishment applications should be submitted quarterly. The replenishment application must include reconciled bank statements as well as other appropriate supporting documents.

III. **Withdrawal of Program and Project Credit proceeds**

(i) **Authorized Signatories for Withdrawal Applications.** An authorized signatory letter in the Form attached *(Attachment 1)* should be furnished to the Association at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Withdrawal Applications:

   The World Bank  
   1818 H Street, NW  
   Washington, DC 20433  
   Attention: Qimiao Fan, Country Director

(ii) **Withdrawal Applications.** Please provide completed and signed Withdrawal Applications, to the address indicated below:

   The World Bank  
   Radnicka cesta 80, 9th floor  
   Zagreb, HR – 10000  
   Croatia  
   Attention: Disbursement Management Group
(iii) **Electronic Delivery.** The Association may permit the Recipient to electronically deliver to the Association Withdrawal Applications through the Association’s Client Connection, web-based portal. The option to deliver Withdrawal Applications to the Association 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 Withdrawal Applications and to receive secure identification credentials (“SIDC”) from the Association for the purpose of delivering such Withdrawal Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the Association agrees, the Association will provide the Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Withdrawal 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 Withdrawal Applications in paper form. The Association reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Withdrawal Applications by the 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 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 Attachment [2]; and (b) to abide by those terms and conditions.

IV. **Other Important Information**

For additional information on disbursement arrangements and electronic delivery of Withdrawal Applications, please visit our secure website “Client Connection” at https://clientconnection.worldbank.org.

If you have not already done so, the Association recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Withdrawal Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and other information. All Recipient officials authorized to sign and deliver Withdrawal 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 Association by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Maiada Kassem, Finance Officer at loaeca@worldbank.org using the above Operation name, program credit and project credit numbers as referenced in this letter subject line.

Yours sincerely,

Qimiao Fan  
Country Director  
Belarus, Moldova and Ukraine
Attachments

2. Form for Authorized Signatures
4. Form of “Statement of Expenditure”, (A) for Program and (B) for project.
5. Form of Payments Against Contracts Subject to the Association’s Prior Review for Project.

cc with copies: Ministry of Health
Mr. Andrei Usatii
ausatiimd@gmail.com

National Health Insurance Company (CNAM)
Mr. Mircea Buga
mbuga@cnam.md
Attachment [1]

Form of Authorized Signatory Letter

[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: IDA Financing 5469-MD (Program Credit)
IDA Financing 5470 (Project Credit)

I refer to the Financing Agreement between the International Development Association (the "Association") and Republic of Moldova (the "Recipient"), dated July 11, 2014, providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under this Financing.

For the purpose of delivering Applications to the Association, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association 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]

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.

5 Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept 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.
("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position] Specimen Signature: ____________________

[Name], [position] Specimen Signature: ____________________

[Name], [position] Specimen Signature: ____________________

Yours truly,

/ signed /

[Position]
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.
**Program Statement of Expenditures (SOE)**

Payments made during the period from ___________ to ___________

Date: ___________

Application No.: ___________

Loan: ___________

SOE No.: ___________

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No. (**)</th>
<th>Currency and Total Amount of Contract</th>
<th>Currency and Total Amount of Invoice Covered by Application (Net of Retention)</th>
<th>Eligible % from Schedule 1 of Loan/Credit Agreement</th>
<th>Amount Eligible for Financing (4 x 5)</th>
<th>Currency and Amount Paid from Special Account (if Applicable)</th>
<th>Exchange Rate (Col. 7 divided by Col. 6)</th>
<th>Remarks</th>
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**TOTALS**

Supporting documents for this SOE retained at ________________ (insert location)

(*) A separate SOE form should be used for retroactive financing

(**) Items should be grouped by category; or alternatively, a separate SOE form may be used for each category
### Project Statement of Expenditures (SOE)

Payments made during the period from ____________ to ____________

<table>
<thead>
<tr>
<th>Supplier’s Name</th>
<th>WB Contract Number in Client Connection</th>
<th>Type of Good or Service (CW/GO/CS/OP/TR) / Brief Description</th>
<th>Currency and Total Amount of Contract</th>
<th>Currency and Total Amount of Invoice Covered by Application</th>
<th>% Financed by IBRD/IDA/TF</th>
<th>Amount Eligible for Financing (5 x 6)</th>
<th>Exchange Rate</th>
<th>Date of Payment</th>
<th>Remarks</th>
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**TOTALS**

Supporting documents for this SOE retained at ____________________________ (location)

Attachment 4B
# Payments Made during Reporting Period
Against Contracts Subject to the Association's Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB's Share of Amount Paid to Supplier during Period</th>
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