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

Re: Loan No. 8906 - BA  
(Additional Financing for Bosnia-Herzegovina Energy Efficiency Project)  
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

Excellency:

I refer to the Loan Agreements ("Agreement") between the International Bank for Reconstruction and Development (the "Bank"), and Bosnia and Herzegovina (the "Borrower") for the above-referenced project, Loan No. 8906-BA, dated as of the Signature Date respectively. The General Conditions, as defined in the Financing 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 specify Project specific financial reporting requirements.

I. Disbursement Arrangements, Withdrawal and Reporting of Loan Proceeds


(i) Disbursement Arrangements

- **Instructions** (Schedule 1). The table provides the disbursement methods which may be used by the Borrower, 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.

- **Disbursement Deadline Date, DDD (subsection 3.7).** The DDD is four (4) months after the Closing Date. Any changes to this date will be notified by the Bank.

(ii) Electronic Delivery. Refer to section 10.01 (c) of the General Conditions.

The Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the Bank’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This
option may be effected if the officials designated in writing by the Borrower who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials may 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 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. 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 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 maintain and cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

The Borrower shall cause the FBiH and the RS 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 for their Respective Parts of the Project covering the quarter, in form and substance satisfactory to the Bank.

(ii) Audits. The Borrower shall or shall cause the Financial Statements to be audited in accordance with the provisions of Section 5.09 (b) of the General Conditions.

Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six 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 Association’s website (http://www.worldbank.org/) and “Client Connection”. The Association 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 Association by email at AskLoan@WorldBank.org using the above reference.

Yours sincerely,

Emanuel Salinas Munoz
Country Manager
Bosnia and Herzegovina and Montenegro
Europe and Central Asia Region
Attachments
1. Form of Authorized Signatory Letter
2. Form with Statement of Expenditures

Cc with copies: Ministry of Finance and Treasury
TrgBiH 1
71000 Sarajevo
Bosnia and Herzegovina
### Schedule 1: Disbursement Arrangements

#### Basic Information

<table>
<thead>
<tr>
<th>Loan Number</th>
<th>IBRD No. 8906-BA</th>
<th>Country</th>
<th>Bosna and Herzegovina</th>
<th>Borrower</th>
<th>Bosna and Herzegovina</th>
<th>Closing Date</th>
<th>Section IV B.2. of Schedule 2 to the Loan Agreement.</th>
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<tr>
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<td>Name of the Project</td>
<td>Additional Financing for the Energy Efficiency Project</td>
<td>Disbursement Deadline Date</td>
<td>Subsection 3.7 **</td>
<td>Four months after the closing date.</td>
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#### Disbursement Methods, and Supporting Documentation

| Direct Payment | Yes | Copy of records  |
| Reimbursement  | Yes | Statement of Expenditures |
| Designated Accounts: | Yes | Statement of Expenditures |
| Special Commitments | Yes | Not applicable |

**Disbursement Methods (Section 2), Methods Available:**

- **Direct Payment:** Yes
- **Reimbursement:** Yes
- **Designated Accounts:** Yes
- **Special Commitments:** Yes

**Supporting Documentation (Subsections 4.3 and 4.4):**

- Copy of records
- Statement of Expenditures
- Not applicable

**Designated Accounts (Section 5 and 6):**

- **Type:**
  - Designated Account X - Segregated for FBiH
  - Designated Account Y - Segregated for RS

- **Ceiling:** Fixed for both DAs

- **Financial Institution - Name:**
  - Both DAs to be established at a financial institution acceptable to the Bank and verified before the first advance is requested

- **Currency:** EUR

- **Frequency of Reporting, Subsection 6.3:** Monthly

- **Amount:**
  - DA - X - FBiH Euro 2,000,000
  - DA - Y - RS Euro 1,500,000

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

The Minimum Value of Applications: Euro 50,000

**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):**

- The World Bank
- Radnicka cesta 80/IX
- 10000 Zagreb, Croatia
- Attention: Loan Department

Notice that all information will be sent to the same address, and to the regional TL.

**Additional Instructions:**

1. The use of the new segregated Designated Accounts X and Y would apply to the IBRD AF only;
2. Funds in the respective Segregated DAs from Credit No. 5393 - BA and Credit No. 5538 - BA should be disbursed first by each Entity and only when disbursed, funds from the Additional Financing IBRD Loan would be used by said Entity

**Other Disbursement Instructions:**

Clarification to the Additional Instructions: No withdrawal shall be made from the new DAs X and Y for payments for all types of expenditures for Parts A and B of the AF Loan until all the proceeds allocated in the Original Credit have been fully disbursed. Nevertheless, the use of Direct Payments is authorized for
both the IDA original credits and the IBRD AF Loan in parallel if needed, as an alternative to the use of Advances.
The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Attention: [Country Director]

Re: Loan No. 8906 - BA 
(Additional Financing for Bosnia-Herzegovina Energy Efficiency Project)  
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

Excellency:

I refer to the Loan Agreements ("Agreement") between the International Bank for Reconstruction and Development (the "Bank"), and Bosnia and Herzegovina (the "Borrower") for the above-referenced project, Loan No. 8906-BA, dated __________ respectively providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreements, 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 the Loans.

For the purpose of delivering Applications to the 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 Bank.

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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 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 confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to 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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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.
Statement of Expenditures (SOE)

Payments made during the period from ___________ to ___________

For expenditures against the contracts not subject to the Bank Prior Review

<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