H.E. Nizar Baraka  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Rabat  
Kingdom of Morocco  

Re: IBRD Loan No. 8182-MA  
Micro, Small and Medium Enterprise Project  
Additional Instructions: Disbursement  

Excellency:  

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “Bank”) and the Kingdom of Morocco (the “Borrower”) for the above-referenced project, dated July 27, 2012. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8182-MA (“Loan”). 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 Loan 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 Loan:

- Reimbursement
- Advance

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.
(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Loan Agreement.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1).
An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the 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, NW
Washington, DC 20433
Attention: Directeur pour les Pays du Maghreb

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank Loan department
CTRLA - Regional Center Zagreb
The World Bank
Radnicka 80/9, 10 000 Zagreb, Croatia
Attention: Sergo Lomtatidze – Senior Finance Officer
Tel: + 385 1 235 7281
Fax: + 385 1 235 7233

(iii) Electronic Delivery (subsection 3.4) The Bank may permit the Borrower 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 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 devices (“Tokens”) from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower with Tokens 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 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.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of
Tokens”) 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 not applicable under this Project.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated

- **Currency of Designated Account (subsection 5.4):** Moroccan Dirham – MAD

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Bank Al-Maghrib (BAM)

- **Ceiling (subsection 6.1):** Advances will be made based on the estimated PCG Claims relating to eligible guarantees issued during a year using the agreed loss ratios.

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4).

- **For requests for Reimbursement and for reporting eligible expenditures paid from the Designated Account:**

  - Statement of Expenditures (SOEs) (in the form attached - Attachment 4) that is prepared and certified by the Caisse Central de Garantie (CCG) and acceptable to the Bank in form and content justifying the use of funds for financing of eligible expenditures for actual PCG Claims paid. Once deemed satisfactory to the Bank, the SOE will be used to document the Loan amount advanced to the Designated Account at the BAM.

IV. Other Disbursement Instructions

- Advances under Article II (vi) above will be disbursed from the Bank to the Ministry of Economy and Finance (MoF) Designated Account in the BAM. The MoF will transfer to the CCG equivalent funds received based on the yearly estimate of expected losses prepared by CCG, agreed by the Bank and communicated to the MoF. The MoF will transfer the funds from its Designated Account in Bank Al-Maghrib to the PCG Account managed by CCG in a Financial Institution on terms and conditions deemed acceptable to the Bank.

- Any funds in the PCG Account which have not been used to pay eligible PCG Claims by the Closing date will be refunded to the Bank unless alternative arrangements have been agreed between the Bank and the Borrower prior to the Closing Date.
V. Other Important Information


From the Client Connection 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.

If you have not already done so, the 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 prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower 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 Bank by email at <clientconnection@worldbank.org>.

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

Yours sincerely,

[Signature]
Simon Gray
Country Director
Middle East and North Africa Region

cc with copy: Mr. Hicham Zanati Serghini
Directeur General
Caisse Centrale de Garantie
Centre d'Affaires, Boulevard Ar Ryad, Rabat
scd@ccg.ma

Attachments:

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Statement of Expenditure
Letter drafted by: Hassine Hedda, CTRLA

To be cleared with and cc: Julie Rieger, LEGEM,
Teymour Abdel Aziz, MNSF1