Re: EU Grant No. TF0B1487-XK
Additional Grant - Energy Efficiency and Renewable Energy Project
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Grant Agreement (“Agreement”) between the International Bank for Reconstruction and Development/International Development Association (the “Bank”), acting as administrator of the European Commission - World Bank Partnership Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund) - Kosovo Energy Efficiency Fund, and Republic of Kosovo (the “Recipient”) for the above-referenced project. The Standard Conditions, as defined in the Grant Agreement, provide that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B1487-XK (“Grant”), and may set out Project specific financial reporting requirements. This letter (“Disbursement and Financial Information Letter”), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The World Bank Disbursement Guidelines for Projects, dated February 1, 2017, (“Disbursement Guidelines”) are available in the Bank's public website at https://www.worldbank.org, and are an integral part of the Disbursement and Financial Information 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

The table in Schedule 1 provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01 (c) of the Standard Conditions.
The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Bank’s web-based portal “Client Connection” at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient 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 Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the Bank. By designating officials to use 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 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
Section 2.07 (a) and (b) of the Standard Conditions.

(i) Financial Reports.

The Recipient must prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports (“IFR”) for the Project covering the quarter.

(ii) Audits.

Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, (commencing with the fiscal year in which the first withdrawal was made). The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank’s website (http://www.worldbank.org) and “Client Connection”. The Bank 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 Grant, 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 Bank by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,

Linda Van Gelder
Regional Director, Western Balkans
Europe and Central Asia
Attachments
1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)
3. Form of Designated Account Reconciliation Statement

Cc with copies: Mr. Arsim Kuliqi
Managing Director
Kosovo Energy Efficiency Agency
Republic of Kosovo

Mr. Admir Shala
Managing Director
Kosovo Energy Efficiency Fund
Republic of Kosovo
## Schedule 1 - Disbursement Provisions

### Basic Information

<table>
<thead>
<tr>
<th>EU Grant Number</th>
<th>Country</th>
<th>Closing Date</th>
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<tbody>
<tr>
<td>TF0B1487</td>
<td>Republic of Kosovo</td>
<td>Section III B.2. of Schedule 2 to the Grant Agreement</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Recipient</th>
<th>Republic of Kosovo</th>
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<tr>
<th>Name of the Project</th>
<th>Disbursement Deadline Date</th>
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</thead>
<tbody>
<tr>
<td>Energy Efficiency and Renewable Energy Project – Additional Financing</td>
<td>Four (4) months after the closing date</td>
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</tbody>
</table>

### Disbursement Methods, and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods Available</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records</td>
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<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of this letter</td>
</tr>
<tr>
<td>Designated Account</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of this letter</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>No</td>
<td>N/A</td>
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#### Designated Account (Section 5 and 6 **)

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<tr>
<th>Type</th>
<th>Segregated</th>
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<tr>
<td>Ceiling</td>
<td>Fixed</td>
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| Financial Institution - Name | Commercial bank acceptable to the World Bank |
| Currency | EUR |

| Frequency of Reporting, Subsection 6.3 (**) | Quarterly |
| Amount | 1,000,000 |

### Minimum Value of Applications (subsection 3.5)

The Minimum Value of Applications for Reimbursement and Direct Payment is EUR 200,000 equivalent.

**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, 9th floor
- Zagreb, HR-10000
- Croatia
- Attention: Loan Department (WFACS)

### Additional [Information][Instructions]

#### Other

**Sections and subsections indicated relate to the Disbursement Guidelines for Investment Project Financing dated February 2017.**
Form of Authorized Signatory Letter

[Letterhead]

Ministry of Finance and Transfers

[Street address]

[City] [Country]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Country Director

Re: Grant No. TF0B1487- XK Additional Financing - Energy Efficiency and Renewable Energy Project

I refer to the Grant Agreement (“Agreement”) between the International Bank for Reconstruction and Development/International Development Association (“the Bank”), acting as administrator of the European Commission - World Bank Partnership Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund) - Kosovo Energy Efficiency Fund and Republic of Kosovo (the “Recipient”), dated _______, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [1] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under this Grant.

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 Recipient, acting 3[individually] 4[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

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 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 Recipient represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.

1 Instruction to the Recipient when sending this letter to the Bank: 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 Recipient: 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 Recipient: 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 Recipient: 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 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]
# Attachment 2 – Statement of Expenditure

Payments made during the period from ______________ to ____________

The following expenditures have been incurred during the retroactive financing period (please tick)

The following expenditures have been incurred during before the closing date of the loan (please tick)

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<tr>
<td>Supplier’s Name</td>
<td>WB Contract Number in Client Connection (for Prior Review Contracts)</td>
<td>Type of Good or Service (CW/GO/CS/OP/TR) / Brief Description</td>
<td>Currency and Total Amount, and Date of Contract</td>
<td>Currency and Total Amount of Invoice Covered by Application</td>
<td>% Financed by IBRD/IDA/TF</td>
<td>Amount Eligible for Financing (5 x 6)</td>
<td>Currency and Amount Paid from Designated Account (if Applicable)</td>
<td>Exchange Rate</td>
<td>Date of Payment</td>
<td>Remarks</td>
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**TOTALS**

Supporting documents for this SOE retained at _________________________________ (location)
DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER NUMBER ____________
ACCOUNT NUMBER ____________ WITH (BANK) __________________________

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) US$/EUR ________________

2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - US$/EUR ________________

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = US$/EUR ________________

4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE ____________________ US$/EUR ________________

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. ________________ + US$/EUR ________________

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: ___________________________ + US$/EUR ________________

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

<table>
<thead>
<tr>
<th>APPLICATION NO.</th>
<th>AMOUNT</th>
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SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + US$/EUR ________________

8. MINUS: INTEREST EARNED - US$/EUR ________________

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = US$/EUR ________________

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

________________________________________________________________________
________________________________________________________________________

11. DATE: ____________________ SIGNATURE: ____________________

TITLE: ______________________