H.E. Octavian Armașu
Minister
Ministry of Finance
Chisinau
Republic of Moldova

Excellency:

Re: Credit No. 5639-MD, Credit No. 5095-MD, and Credit No. 5858-MD
(Additional Financing II for Agriculture Competitiveness Project)
Revised Disbursement Letter
Additional Instructions: Disbursement

I refer to the Financing Agreements ("Financing Agreements" or "Agreements") between the International Development Association ("Association") and Republic of Moldova (the "Recipient") for the above-referenced project, dated May 28, 2012, May 21, 2015 and July 8, 2016. This revised version supersedes all previous Disbursement Letters for Credit No. 5639 and Credit 5095, and provides additional instruction for the second additional financing. The Agreements provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of the Credits No. 5095-MD, No. 5639-MD and No. 5858-MD (each, "Financing"). 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 Financing 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 Credit:

- 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 Financing Agreement. Any changes to this date will be notified by the Association.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Financing Agreement.

II. Withdrawal of Financing 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, D.C. 20433
   United States of America
   Attention: Country Director, ECCU2

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 Operations

(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 Accounts if applicable.

(vi) Advances (sections 5 and 6).

- **Type of Designated Accounts (subsection 5.3):** Each DA will be pooled for Credit No. 5639-MD, Credit No. 5095-MD, and Credit No.5858-MD.
- **Designated Account A:** Category 2 managed by AIPA.
- **Designated Account B:** Category 1 managed by CAPMU.

- **Currency of Designated Accounts (subsection 5.4):** US Dollars.

- **Financial Institution at which the Designated Accounts Will Be Opened (subsection 5.5):**
  Treasury will open the Designated Accounts in the National Bank of Moldova

- **Ceiling (subsection 6.1):** forecast for 2 quarters as provided in the CAPMU's quarterly Consolidated Interim Financial Report, including AIPA IFR for Category 2.

III. Reporting on Use of Financing 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:**

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

IV. Other Disbursement Instructions

By preparing this revised Disbursement Letter covering the Original Financing, Additional Financing (AF 1) and Financing (AF 2), it consolidates all disbursement arrangements and the instructions for the flow of funds for the project as a whole. Disbursements should proceed as follows: Funds from the Original Financing (IDA Credit No. 5095) should be used first, then AF 1 (IDA Credit No. 5639), and at last AF 2 (IDA Credit No. 5858), for the respective categories financed by all sources of funds.

By pooling funds from Credit No. 5639-MD, Credit No. 5095-MD, and Credit No. 5858-MD into the new pooled respective DA A for AIPA and DA B for CAPMU, the previous segregated accounts should be reconciled, their balances should be cancelled and transferred to the new pooled accounts. For the purpose of using a pool account the project may select any of the existing DAs currently available under Credit No. 5639 or Credit No. 5095 indistinctly.

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 Financing, 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 wfafo_eca@worldbank.org using the above reference.

Yours sincerely,

By:  
Alexander Kremer  
Acting Country Director  
Belarus, Moldova, and Ukraine  
Europe and Central Asia
Attachments
2. Form for Authorized Signatures

cc with copies: Mr. Liviu Gumovschi, Director, Consolidated Agriculture Project Management Unit
Dear Director:

Re: Credit No.5858-MD (Second Additional Financing for Agriculture Competitiveness Project)

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "Association") and the Republic of Moldova (the "Recipient"), dated July 8, 2016, 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 [and applications for a special commitment] under this Financing:

[Name], [position] Specimen Signature: __________________________

[Name], [position] Specimen Signature: __________________________

[Name], [position] Specimen Signature: __________________________

Yours truly,

/ signed /

[Position]

---

1 Instruction to the recipient when sending this letter to the Association: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.
Terms and Conditions of Use of Secure Identification Devices
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

January 20, 2010

The World Bank (Bank)\(^2\) will provide secure identification devices (Tokens) to permit the Borrower\(^3\) 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.

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 Tokens 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 delivery of Tokens. 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. Distribution, Initialization and Return of Tokens.

1. The Bank will physically deliver a Token to each Signatory in a manner to be determined by and satisfactory to the Bank.

2. At the time of delivery of a Token to a Signatory, the Signatory will receive a copy of these Terms and Conditions of Use for purposes of initializing the Token.

3. The Bank will verify that the Token, Temporary Password and Terms and Conditions of Use have been duly delivered to and received by the CC User.

4. Promptly upon receipt of the Token and Terms and Conditions of Use, the Signatory will access CC using his/her account name and CC Password and register his/her Token and set a personal identification number (PIN) to be used in connection with the use of his/her Token, after which the Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the Token, the Signatory will be a “Token User”. The Bank

\(^2\) “Bank” includes IBRD and IDA.

\(^3\) “Borrower” includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.
will maintain in its database a user account (Account) for each Token User for purposes of managing the Token of the Token User. Neither the Borrower nor the Token User will have any access to the Account.

5. Prior to first use of the Token by the Token User for delivering Applications, the Borrower shall ensure that the Token User has received training materials provided by the Bank in use of the Token.

6. Tokens shall be promptly returned to the Bank upon request of the Bank.

C. Management of Tokens.

1. Tokens will remain the property of the Bank.

2. Use of the Token is strictly limited to use in the delivery of Applications by the Token User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the Token is prohibited.

3. The Bank assumes no responsibility or liability whatsoever for any misuse of the Token by the Token User, other representatives of the Borrower, or third parties.

4. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in delivery of a Token to each Token User) that each Token User is provided, understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

Security

4.1. The Token User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The Token User shall not allow anyone else to utilize a Token to deliver an Application to the Bank.

4.3. The Token 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 Token User believes a third party has learned his/her PIN or has lost his/her 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 Tokens, and take other reasonable steps to ensure such Tokens are disabled immediately.

Care of Tokens

4.6. 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, 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. 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 Token.

4.7 Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care Tokens are available at http://www.rsa.com.

5. Replacement

5.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Tokens will be replaced at the expense of the Borrower.

5.2. The Bank reserves the right, in its sole discretion, not to replace any Token in the case of misuse, or not to reactivate a Token User’s Account

6. Reservation of Right to disable Token

6.1. The Borrower shall reserve the right to revoke the authorization of a Token User to use a Token for any reason.

6.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a Token, de-activate a Token User’s Account or both.