Mercy Tembon  
Regional Director

Mr. Vardan Aramyan  
Minister of Finance  
Ministry of Finance  
Yerevan, 0010, Melik Adamyan str. 1  
Republic of Armenia

February 14, 2018

Re: EGPS Grant No. TF0A6768 (Armenia Extractive Industries Transparency Initiative Support Project)  
Additional Instructions: Disbursement and Financial Information Letter

Dear Mr. Aramyan:

I refer to the Letter Agreement between the Republic of Armenia (“Recipient”) and the International Bank for Reconstruction and Development/International Development Association (“World Bank”), acting as administrator of grant funds provided by various donors (“Donor(s)”) under the Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund (TF072699) for the above-referenced project, dated February 14, 2018. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0A6768 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

I. Disbursement Arrangements, Withdrawal and Reporting of Grant Proceeds

The attached World Bank Disbursement Guidelines for Projects, dated February, 2017, (“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 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 sets out 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 processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Electronic Delivery.

The World Bank may permit the Recipient to electronically deliver applications (with supporting documents) through the World Bank’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This option may be effected if the officials designated in writing by the Recipient 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

5A, Ramishvili Street  
Tbilisi 0170, Georgia  
Tel: +995 (32) 291 30 96  
Fax: +995 (32) 291 34 78

1818 H Street N.W.  
Washington, DC 20433, USA.  
Tel: +1 (202) 473 7252  
Fax: +1 (202) 522 3607
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 World Bank by electronic means. 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. 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 World 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. 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 World 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, please contact the World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Luis M. Schwarz Finance Officer at lschwarz@worldbank.org, with copy to Khaled Ben Brahim, Finance Analyst at kbenbrahim@worldbank.org using the above reference.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
And INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Mercy Miyang Tembon
Country Director
South Caucasus Country Unit

Attachments
1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
Schedule 1: Disbursement Arrangements

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Republic of Armenia</th>
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</thead>
<tbody>
<tr>
<td>Recipient</td>
<td>Republic of Armenia</td>
</tr>
<tr>
<td>Name of the Project</td>
<td>Armenia Extractive Industries Transparency Initiative Support</td>
</tr>
</tbody>
</table>

**Disbursement Methods Section 2 (**)**

<table>
<thead>
<tr>
<th>Method</th>
<th>Methods Available</th>
<th>Supporting Documentation Subsections 4.3 and 4.4 (**)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure in the format provided in Attachment 2 of this letter</td>
</tr>
<tr>
<td>Designated Account:</td>
<td>Yes</td>
<td>Statement of Expenditure in the format provided in Attachment 2 of this letter</td>
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<td>Designated Account reconciliation in the format provided in Attachment 3 of this letter</td>
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<td>Bank Statement</td>
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</table>

**Type**

- Segregated

**Financial Institution - Name**

- In the Single Treasury Account of the Ministry of Finance at the Central Bank of Armenia

**Currency**

- USD

**Frequency of Reporting, Subsection 6.3 (**)**

- Quarterly

**Ceiling**

- Fixed

**Amount**

- 50,000

The Minimum Value of Applications for Reimbursement, Direct Payment is USD 20,000.

**Authorized Signatures (subsection 3.1)**

A letter in the Form attached (Attachment 1) 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, DC 20433
United States of America
Attention Mercy Miyang Tembon Country Director South Caucasus Country Unit
(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
Radnicka Cesta 80/IX
10000 Zagreb, Croatia
Attention: World Bank Group Finance & Accounting (ex-Loan Department)
Form of Authorized Signatory Letter

[Letterhead]

Ministry of Finance

[Street address]

[City] [Country]

[DATE]

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

Attention: [Country Director]

Dear [Country Director]:

Re: EGPS Grant No. TF0A6768 (Armenia Extractive Industries Transparency Initiative Support Project)

I refer to the Grant Agreement ("Agreement") between the [International Bank for Reconstruction and Development/International Development Association] ("World Bank") acting as [an implementing agency of the Global Environmental Facility] [administrator of the Global Partnership on Output-based Aid] [administrator of name of the trust fund], and [name of recipient] (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 [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 Grant.

For the purpose of delivering Applications to the World Bank, [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 World 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

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1 Instruction to the Recipient when sending this letter to the World 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 World 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 World 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 World 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 World Bank.
the World Bank by electronic means. In full recognition that the World 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 World Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the World 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

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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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
DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER NUMBER __________________
ACCOUNT NUMBER ________________ WITH (BANK) ________________

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) $ ________________
2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - $ ________________
3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2) = $ ________________

4. BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE ________________ $ ________________
5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. ________________ + $ ________________ *
6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: ________________________________ + $ ________________ *
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 + $ ________________

8. MINUS: INTEREST EARNED - $ ________________ *
9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = $ ________________

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

   ___________________________________________________________

11. DATE: ___________________________ SIGNATURE: ___________________________

   TITLE: ___________________________