Re: IBRD Loan No. 9120-YF
Serbia Emergency COVID-19 Response Project
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

Excellency:

I refer to the Loan Agreement (“Agreement”) between International Bank for Reconstruction and Development (“World Bank”), and Republic of Serbia (“Borrower”) for the above-referenced project. The General Conditions, as defined in the Loan 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

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out 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.

(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 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 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. The Borrower shall have the Project's Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit shall cover the period of one fiscal year of the Borrower. For each such period, the audited Financial Statements for the Project shall be (a) furnished to the Bank not later than six (6) months after the end of such period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank’s public website 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 Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank by email at askloans@worldbank.org.

Yours sincerely,

______________________________
Stephen N. Ndegwa
Country Manager
World Bank Office, Belgrade
Attachments
1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)
3. Form of Designated Account Reconciliation Statement

Cc with copies: Ministry of Health
Nemanjina 22-26
11000 Belgrade, Republic of Serbia
kabinet@zdravlje.gov.rs

Second Serbia Health Project
Project Coordination Unit
Dom zdravlja Savski venac
Pasterova 1
11000 Belgrade, Republic of Serbia
office_pcu@zdravlje.gov.rs

Central Fiduciary Unit
Ministry of Finance
Government of the Republic of Serbia
Sremska 3-5
11000 Belgrade, Republic of Serbia
nenad.vlaketic@mfin.gov.rs
# Schedule 1: Disbursement Arrangements

## Basic Information

<table>
<thead>
<tr>
<th>Loan Number</th>
<th>IBRD 9120-YF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Republic of Serbia</td>
</tr>
<tr>
<td>Borrower</td>
<td>Republic of Serbia</td>
</tr>
<tr>
<td>Name of the Project</td>
<td>Serbia Emergency COVID-19 Response Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Closing Date</th>
<th>Section III.B.2. of Schedule 2 to the Loan Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement Deadline Date</td>
<td>Four months after the Closing Date</td>
</tr>
</tbody>
</table>

## Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods</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 (e.g. suppliers‘ invoices, guarantees for advance and retention payments, etc.)</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure in the format as in Attachment 2 to DFIL</td>
</tr>
<tr>
<td>Designated Account</td>
<td>Yes</td>
<td>Statement of Expenditure in the format as in Attachment 2 to DFIL</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reconciliation of the DA as in Attachment 3</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes</td>
<td>Copy of records (e.g. suppliers‘ invoices, guarantees for advance and retention payments, etc.)</td>
</tr>
</tbody>
</table>

## Designated Account (Sections 5 and 6 ***)

<table>
<thead>
<tr>
<th>Type</th>
<th>Segregated managed by the MoH PIU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution - Name</td>
<td>National Bank of Serbia</td>
</tr>
<tr>
<td>Frequency of Reporting (Subsection 6.3 ***)</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Ceiling</td>
<td>Variable</td>
</tr>
<tr>
<td>Currency</td>
<td>EUR</td>
</tr>
<tr>
<td>Amount</td>
<td>Advances to be based on forecast of funds required for the semester and approved by the TTLs</td>
</tr>
</tbody>
</table>

## Minimum Value of Applications (Subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is EUR 200,000 equivalent.

## Additional Instructions

None

**Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.**
The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America  

Attention: Country Director  

Re: Loan No. ______-YF  
Serbia Emergency COVID-19 Response Project  

I refer to the Loan Agreement (“Agreement”) between International Bank for Reconstruction and Development (the “Bank”) and Republic of Serbia (the “Borrower”), dated _______, providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any 1[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal and applications for a special commitment under this Loan.

For the purpose of delivering Applications to the Bank, including by electronic means, 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.

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

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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 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 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.
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]
Attachment 2 – Form of Statement of Expenditure

Statement of Expenditure (SOE)
For
Goods, Works, Services, Training, Operating Costs

Payments made during the period from ____________ to ____________

<table>
<thead>
<tr>
<th>Loan No.:</th>
<th>Application No.:</th>
<th>Category No.:</th>
</tr>
</thead>
</table>

| SOE No.: |

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<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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</tbody>
</table>

**TOTALS**

Supporting documents for this SOE retained at __________________________________________  (location)
ATTACHMENT 3 – FORM OF DESIGNATED ACCOUNT RECONCILIATION STATEMENT

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCER NUMBER ______________
ACCOUNT NUMBER ______________ WITH (BANK) __________________________

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCER)    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>
</tr>
</thead>
<tbody>
<tr>
<td>_______________</td>
<td>__________</td>
</tr>
<tr>
<td>_______________</td>
<td>__________</td>
</tr>
</tbody>
</table>
| 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: __________________________