Mr. Ghazi Wazni  
Minister of Finance  
Ministry of Finance  
Republic of Lebanon

Re: IBRD Loan No. 8202-LE  
Supporting innovation in Small and Medium Enterprises in Lebanon  
(iSMEs Lebanon) Project  
Additional Instructions: Disbursement – First Restatement

Excellency:

I refer to the Loan Agreement ("Agreement") between the International Bank for Reconstruction and International Development Association (the "Bank"), and the Lebanese Republic (the "Borrower") for the above-referenced project, dated February 13, 2013. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan No. 8202-LE ("Loan"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This letter is the First Restatement of the Disbursement Letter Dated February 13, 2013 for the above referenced project, which is amended to: (a) revise Schedule 1 on disbursement arrangements to add Direct Payment as a Disbursement Method, (b) introduce variable ceiling for the designated account and, (c) incorporate all relevant attachments as enclosed. It supersedes the original letter in its entirety.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds


(i) Disbursement Arrangements

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, and conditions, 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. Section 10.01 (c) of the General Conditions.
The Borrower 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 Borrower 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 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 Borrower may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Borrower 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 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 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. Financial Reports and Audits

(i) Financial Reports. The Borrower 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 Borrower, 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 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 Loan, 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 World Bank by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,

Saroj Kumar Jha
Regional Director, Middle East Department
Middle East and North Africa Region
**Attachments**

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
3. Designated Account Reconciliation Statement
4. Cash forecast
## Minimum Value of Applications (Subsection 3.5)

<table>
<thead>
<tr>
<th>Amount</th>
<th>Monthly</th>
<th>Financial Institution - Designated Agent (Central Bank of Libanon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 months cash forecast</td>
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<tr>
<td>USD</td>
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<tr>
<td>Variable</td>
<td>Ceiling</td>
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### Supporting Documentation

- Copy of Letter of Credit
- Special Commission
- Designated Account
- Statement of Experience
- Recommendation
- Copy of Records
- Interest Payment (Season 6)
- Section 2 (Subsection)
- Methods Available
- Section 1 (Subsection)
- Technical Information

### Additional Information

- **Financial Institution**: Arab Bank Lebanon
- **Designated Agent**: Central Bank of Libanon
- **Letter of Credit**: Valid for 9 months
- **Statement of Experience**: Comprehensive
- **Recommendation**: Strong endorsement
- **Copy of Records**: Available
- **Interest Payment**: Regular
- **Section 2 (Subsection)**: Comprehensive
- **Methods Available**: Secure
- **Technical Information**: Extensive

### Schedule 1: Disbursement Procedures

- **Due Date**: Four months after the closing
- **Loan Agreement**: Signed
- **Disbursement Date**: Arranged
- **Date of Disbursement**: Scheduled
- **Name of the Project**: Identified
- **Logistics**: Coordinated
- **Amount of Disbursement**: Calculated
- **Supporting Information**: Submitted
- **IBRD 2020**: Available
- **IBRD 2021**: Secure
- **Loan Number**: Validated

### Disbursement Methods

- **Subsection 3.5**: Comprehensive
- **Technical Information**: Comprehensive
- **Supporting Documentation**: Validated
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]

Re: IBRD Loan No. 8202-LE
Supporting innovation in Small and Medium Enterprises in Lebanon (iSMEs Lebanon) Project)

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and [name of borrower] (the “Borrower”), dated ________, providing the above Loan. 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 Borrower to sign applications for withdrawal under this Loan.

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 Borrower, 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 Borrower 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. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the

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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.
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 Borrower 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]
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<th>Percentage</th>
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SOE No: ____________________________
Application No: ____________________________

Additional 2: Form of Statement of Expenditures

Supporting documents for this SOE are listed as follows:

Potential units for this SOE are listed as follows:

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 DESIGNATED 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

   APPLICATION NO. | AMOUNT *
   ------------- | -------------
   ________________ | ________________
   ________________ | ________________
   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: ________________
## CASH FORECAST

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