May 17, 2018

Mr. Djamshid Kuchkarov
Deputy Prime Minister and Minister of Finance
REPUBLIC OF UZBEKISTAN

Re: IDA Credit 6173-UZ (District Heating Energy Efficiency Project)
Additional Instructions: Disbursement and Financial Information Letter (DFIL)

Dear Mr. Kuchkarov:

I refer to the Financing Agreement between the Republic of Uzbekistan (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time to time request withdrawals of Credit amounts from the Credit Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Credit Funds, and Reporting on Uses of Credit Funds


(i) Disbursement Arrangements

- General Provisions (Schedule 1). 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. Section 11.01 (c) of the General Conditions:

The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This option may be effected if: (a) the Recipient has designated in writing, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials (“SIDC”) from the Association 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”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Association 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 Association'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 Recipient shall cause the Project Implementing Entity to prepare and furnish to the Association 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, in form and substance satisfactory to the Association.

(ii) Project Audits. The Recipient shall cause the Project Implementing Entity to have the Project Financial Statements periodically audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of the Project Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Project Financial Statements for each such period shall be (a) furnished to the Association 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 Association.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s public website (http://www.worldbank.org/) and “Client Connection”. The Association 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 Credit, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Association by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Jasna Mestnik, Finance Officer at j mestnik@worldbank.org, with copy to Dessirie Kalinski, Finance Analyst at dkalinski@worldbank.org using the above reference.

Yours sincerely,

Cyril E. Muller
Regional Vice President
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: PCU within the Kommunkhizmat Agency, under the Ministry of Housing and Communal Services
Tashkent, Uzbekistan
## Schedule 1: Disbursement Provisions

<table>
<thead>
<tr>
<th>Credit Number</th>
<th>Country</th>
<th>Recipient</th>
<th>Closing Date</th>
<th>Section IV.B.2. of Schedule 2 to the Financing Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Republic of Uzbekistan</td>
<td>Ministry of Finance</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of the Project</th>
<th>Disbursement Deadline Date (Subsection 3.7 **)</th>
<th>Four (4) months after the Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Heating Energy Efficiency Project</td>
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</table>

### Disbursement Methods

<table>
<thead>
<tr>
<th>Direct Payment</th>
<th>Yes</th>
<th>Copy of records (e.g. suppliers' invoices, guarantees for advance and retention payments, etc.)</th>
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</thead>
<tbody>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL for all expenditures</td>
</tr>
<tr>
<td>Designated Account</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL for all expenditures; Designated Account Reconciliation Statement in the format provided in Attachment 3 of the DFIL, supported with related bank statement</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes</td>
<td>Copy of Letter of Credit</td>
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</table>

### Financial Institution

- **Type**: Segregated – one Designated Account managed by the PCU
- **Name**: To be established at a financial institution acceptable to the Association
- **Currency**: USD
- **Amount**: Up to 2,000,000

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

First 10 withdrawal applications, except for the withdrawal application requesting an initial advance to the Designated Account, to be prior-reviewed and approved by the Task Team prior to disbursement.

**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: Credit No. 6173-UZ (District Heating Energy Efficiency Project)

I refer to the Financing Agreement ("Agreement") between the International Development Association (the "Association") and the Republic of Uzbekistan (the "Recipient"), dated ____ , providing the above Credit. 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 Recipient to sign applications for withdrawal [and applications for a special commitment] under this Credit.

For the purpose of delivering Applications to the Association, 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 Association.

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 Association by electronic means. In full recognition that the Association 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

¹ Instruction to the Recipient: 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 Association.

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 Association.

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 Association.

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 Association.
Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Association 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)

Payments made during the period from __________ to __________

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

Supporting documents for this SOE retained at __________________________ (location)
DEVELOPMENT BANK RECONCILIATION STATEMENT

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>
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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: ____________________