



September 20, 2021

Hon. Situmbeko Musokotwane
Minister of Finance
Ministry of Finance
P.O. Box 50062
Chimanga Road
Lusaka
Republic of Zambia

Re: IDA Credit 6968-ZM
(Additional Financing for the Zambia COVID-19 Emergency Response and
Health Systems Preparedness Project)
Additional Instructions: Disbursement and Financial Information Letter

Honourable Minister:

I refer to the Financing Agreement between the International Development Association (the “Association”) and the Republic of Zambia (the “recipient”) 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 of Uses of Credit Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in the Association’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the guidelines apply to the Credit is specified below.

(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.
- **Special Provision**. Projects in situations of urgent need of assistance or capacity constraints: Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.

(ii) Electronic Delivery. Section 11.01(c) of the General Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Association's web-based portal "Client Connection" at <https://clientconnection.worldbank.org>. This option will be effected after the officials designated in writing by the Recipient 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 Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the Association. 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 must 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. Where a UN agency is contracted by the Recipient, the Recipient is responsible to ensure that the financial reporting requirements applicable to the UN Agency are stipulated in the agreement between the Recipient and the UN agency and met in a timely manner.

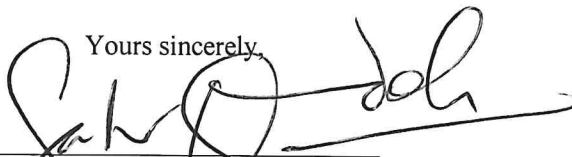
(ii) Audits. Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Association not later than six (6) months after the end of such period. Where a UN agency is contracted by the Recipient, the Recipient is responsible to ensure that the documentation requirements applicable to the UN agency, for project audit purposes, are stipulated in the agreement between the Recipient and the UN agency.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association's 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, or if you have any queries in relation to the above, please contact the Association by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,



Sahr John Kpundeh
Country Manager for Zambia
Eastern and Southern Africa Region

Attachments

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)

With copies:

Mr. Mukuli Chikuba
Permanent Secretary – Economic Management & Finance
Ministry of Finance
Lusaka, Zambia
Mukuli.Chikuba@mof.gov.zm or mukulic@gmail.com

Prof. Victor Mukonka
Director - Zambia National Public Health Institute (ZNPHI)
Lusaka, Zambia
Victor.Mukonka@moh.gov.zm or vmukonka@gmail.com

Schedule 1 : Disbursement Provisions

Basic Information			
Credit Number	IDA 6968-ZM	Country	Republic of Zambia
Recipient Name of the Project	Additional Financing for the Zambia COVID-19 Emergency Response and Health Systems Preparedness Project	Closing Date	Section III.B.3. of Schedule 2 to the Financing Agreement.
Disbursement Methods (Section 2 **)		Disbursement Deadline Date	Four (04) months after the closing date.
Direct Payment	Yes	Supporting Documentation (Subsections 4.3 and 4.4 **)	
Reimbursement	Yes	Copy of records	
Designated Account (DA)	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL	
Special Commitments	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL	
Disbursement Methods and Supporting Documentation			
Disbursement Methods		Supporting Documentation (Subsections 4.3 and 4.4 **)	
Designated Account (Sections 5 and 6 **)		Copy of Letter of Credit	
Type	One segregated DA, same as DA under the Original Financing (IDA Credit 6775-ZM) managed by ZNPHI.	Ceiling	Fixed ceiling
Financial Institution - Name	Bank of Zambia	Currency	USD
Frequency of Reporting (Subsection 6.3 **)	Monthly	Amount	USD 2,400,000 shared with IDA 6775-ZM
Minimum Value of Applications (subsection 3.5 **)			
Not applicable.			
Authorized Signatures (Subsection 3.1 and 3.2 **) <i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</i> <i>Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)</i>			
Authorized Signatures. The Authorized Signatory Letter (ASL) will be sent to the following address: Zambia World Bank Group Country Office Pyramid Plaza, Plot # 746 Church Road P.O. Box 35410, Lusaka, ZAMBIA		Withdrawal Applications. All Withdrawal Applications and their supporting documentation shall be electronically submitted via the Association's web-based Portal "Client Connection".	
Additional Instructions			
<ol style="list-style-type: none"> The project may transfer funds from the DA's to a local currency account or US dollars account (Project Operation Account/PA) also open at the Bank of Zambia into the Treasury Single Account. Transfers to local currency PA should be done on a need basis to avoid the incurrence of any exchange rate losses. Payments to UN Agencies (if any) may be made through UN Advances (with or without a UN Commitment) disbursement mechanism. In case of a contract with a UN Agency requiring a UN Commitment, an application for issuance of UN Commitment is to be submitted by the Recipient. Subsequent payments and documentation of expenditures under the contract must be made in accordance with the Commitment letter to be issued by the Association and the contract between the Recipient and the UN agency. In case of a UN Advance (without UN Commitment), documentation of expenditure should be made once the final invoice is issued and based on the UN Financial Report. 			

3. Under Categories 1 and 2, no disbursement shall be made until funds allocated to the corresponding categories under the Original Financing are fully disbursed or committed.

*** Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.*

Attachment 1 – Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Credit No. _____ - ____ (Additional Financing for the Zambia COVID-19 Emergency Response and Health Systems Preparedness Project)

Attention: _____, Country Director

I refer to the Financing Agreement (“Agreement”) between the International Development Association (the “Association”)[, acting as implementing of the]¹ and [name of recipient] (the “Recipient”), dated _____, providing the above Credit. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ²[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, including by electronic means, ³[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ⁴[individually] ⁵[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

¹ Instruction to the Recipient: add text in line with the Grant Agreement if applicable; if not applicable delete it. *Please delete this footnote in final letter that is sent to the Associations*

² 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.*

³ 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.*

⁴ 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.*

⁵ 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.*

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 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 /
