

Date: Feb 28, 2022

Honorable Thabo Sophonea
Minister of Finance
Ministry of Finance
P.O. Box 395
Maseru
The Kingdom of Lesotho

Dear Honorable Minister:

**Re: Grant No. TF0B7784
(Basic Education Strengthening Project)
Additional Instructions: Disbursement and Financial Information Letter**

I refer to the Grant Agreement (“Agreement”) between the International Development Association (“Bank”), acting as an implementing agency of the Global Partnership for Education, and Kingdom of Lesotho (the “Recipient”) for the above-referenced project. The Standard Conditions, as defined in the Grant Agreement, provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B7784 (“Grant”), and may set out Project specific financial reporting requirements. This letter (“Disbursement and Financial Information Letter”), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The *World Bank Disbursement Guidelines for Projects*, dated February 1, 2017, (“Disbursement Guidelines”) are available in the World Bank’s public website at <https://www.worldbank.org>, and are an integral part of the Disbursement and Financial Information 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** provides 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 advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01 (c) of the Standard Conditions.

The Recipient 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 affected 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 Bank 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 Bank. 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. Financial Reports and Audits Section 2.07 (a) and (b) of the Standard Conditions.

(i) Financial Reports.

The Recipient 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.

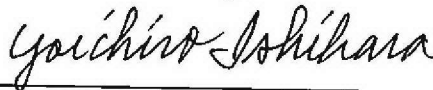
Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World 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, 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,



Yoichiro Ishihara
Country Representative for Lesotho
Eastern and Southern Africa Region

Attachments

1. Form of Authorized Signatory Letter
2. Form of Interim unaudited Financial Report (IFR)

Schedule 1 - Disbursement Provisions

Basic Information			
Grant Number	TF087784	Country	Kingdom of Lesotho
		Recipient	Kingdom of Lesotho
		Name of the Project	Basic Education Strengthening Project
		Closing Date	Section III.B.2 of Schedule 2 to the Grant Agreement
		Disbursement Deadline Date	Four (4) months after the closing date
		Supporting Documentation	Subsection 3.7 **
Disbursement Methods, and Supporting Documentation			
Disbursement Methods	Section 2 (**)	Methods Available	Supporting Documentation
Direct Payment		Yes	Subsections 4.3 and 4.4 (**)
Reimbursement		Yes	
Advance (into a Designated Account)		Yes	Copy of Records
Special Commitments		Yes	Interim unaudited Financial Report in the format provided in Attachment 2 of this letter
			Interim unaudited Financial Report in the format provided in Attachment 2 of this letter
			Copy of Letter of Credit
Designated Account (Section 5 and 6 **)			
Type	Segregated	Ceiling	Variable
	DA A- managed by MoSD linked to category 2		
	DA B- managed by MoET linked to category 1		
Financial Institution - Name	Central Bank of Lesotho	Currency	USD
Frequency of Reporting, Subsection 6.3 (**)	Quarterly	Amount	Based on six months expenditure forecast
Minimum Value of Applications (subsection 3.5)			
The Minimum Value of Applications for Reimbursement, Direct Payment and Special Commitment is USD100,000 equivalent.			
Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter			
Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)			
(i) Authorized Signatures and (ii) Applications			
Applications for this Financing will be signed by the officials authorized to sign Applications as indicated in your letter of January 4 th , 2017 signed by Minister of Finance Mr. Tlohang Sekhamane			
All Withdrawal Applications and its supporting documentation will be electronically sent via the Association's system Client Connection. In instances where paper copies will have to be submitted, please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:			
The World Bank, Loan Department, Delta Center, 13 th Floor, Upper Hill, Menengai Road, P.O. Box 30577 - 00100 Nairobi, Kenya. Tel: 254 20 2936 000			

Additional [Information][Instructions]
Other
As there are currently lapsed loans in the portfolio, the use of Advance method of disbursement will not be allowed until these are resolved

* Select the agreed supporting documentation, and add the following "in the format provided in Attachment 2 of this letter"

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

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: Grant No. TF0B7784 (Basic Education Strengthening Project)

I refer to the Grant Agreement ("Agreement") between the International Development Association] ("Association"), acting as an implementing agency of Global Partnership for Education, and Kingdom of Lesotho (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] [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 [World Bank] [Association].

⁵[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

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/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 World Bank/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 World Bank/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 World Bank/Association.

the [World Bank] [Association] by electronic means. In full recognition that the [World Bank] [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 Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the [World Bank] [Association] 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] [Association] records with respect to this Agreement.

[Name], [position] Specimen Signature: _____
[Name], [position] Specimen Signature: _____
[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

⁵ Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the World Bank/Association.

