

Date: 13-Jul-2023

Hon. Dr. Situmbeko Musokotwane
Minister of Finance and National Planning
Ministry of Finance and National Planning
P.O. Box 50062
Chimanga Road
Lusaka
ZAMBIA

**ZAMBIA: IDA Credit 7338-ZM (Green, Resilient and Transformational Tourism
Development Project (GREAT-TDP)
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Financing Agreement between the Republic of Zambia (“Recipient”) and the International Development Association (“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 Credit¹ amounts from the Credit Account² 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 Disbursement Guidelines apply to the Credit is specified below.

¹ “Financing” means: (a) the Credit if the Financing Agreement provides for a Credit only; (b) the Grant if the Financing Agreement provides for a Grant only; or both the Credit and the Grant if the Financing Agreement provides for both a Credit and a Grant.

² “Financing Account” means: (a) the Credit Account if the Financing Agreement provides for a Credit only; (b) the Grant Account if the Financing Agreement provides for a Grant only; or (c) the Credit Account in respect of the Credit and the Grant Account in respect of the Grant if the Financing Agreement provides for a Credit and a Grant.

(i) Disbursement Arrangements

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods and conditions which may be used by the Recipient, information on registration
- of authorized signatories, 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(s).

(ii) Withdrawal Applications Electronic Delivery³

The Recipient will deliver Withdrawal Applications (with supporting documents, “Applications”) 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 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 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://www.worldbank.org> and “Client Connection”; and

(b) to cause such officials to abide by those terms and conditions.

II. Financial Reports and Audits⁴**(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 (“IFRs”) 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 Association 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 Association’s public website and “Client Connection”. The Association recommends that

³ Section 11.01 (c) of the General Conditions.

⁴ Section 5.09 of the General Conditions.

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,

Nathan M. Belete

NATHAN M. BELETE
Country Director
ZAMBIA
Africa region

Attachments

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

With copies: Ministry of Finance and National Planning
P.O. Box 50062
Chimanga Road
Lusaka, Zambia

Ministry of Tourism
P.O. Box 30575
Kwacha House
Cairo Road
Lusaka, Zambia

Email: ALLMOFNP@mofnp.gov.am

TEL: +260 211 223930

Schedule 1 : Disbursement Provisions

A. Basic Information					
Credit Number	7338-ZM	Country	THE REPUBLIC OF ZAMBIA	Closing Date	Section III.B.2. of Schedule 2 to the Financing Agreement
		Recipient	Ministry of Finance & National Planning		
		Name of the Project	Green, Resilient and Transformational Tourism Development Project (GREAT-TDP)	Disbursement Deadline Date ⁵	Four (4) months after the closing date
B. Disbursement Methods and Supporting Documentation					
Disbursement Methods ⁶	Methods	Supporting Documentation ⁷			
Direct Payment	Yes	Records (Supplier Invoices/Copy of Receipts)			
Reimbursement	Yes	Interim Financial Report (IFR) in the format provided in Attachment 2 of this DFIL			
Advance (into a Designated Account)	Yes	Interim Financial Report (IFR) in the format provided in Attachment 2 of this DFIL			
Special Commitments	Yes	Copy of Letter of Credit, Copy of Proforma Invoice			
C. Designated Account(s) ⁸					
Type and Management Unit	Segregated		Ceiling	Variable	
Financial Institution - Name	BANK OF ZAMBIA		Currency	USD	
Frequency of Reporting ⁹	Quarterly		Amount	As per 6 months forecast provided in the Interim Financial Report	
D. Minimum Value of Applications ¹⁰					
The minimum value of applications for Direct Payment, Reimbursement and Commitment Issuance-SC is US\$100,000 equivalent.					
E. Authorized Signatures ¹¹					
Withdrawal and Documentation Applications ¹²					
The form for Authorized Signatory Letter is provided in Attachment 1 of this letter.					

For notes in Schedule 1: Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.

⁵ Subsection 3.7

⁶ Section 2

⁷ Subsections 4.3 and 4.4

⁸ Sections 5 and 6

⁹ Subsection 6.3

¹⁰ subsection 3.5

¹¹ Subsection 3.1 and 3.2

¹² Subsection 3.3 and 3.4

All Applications and its supporting documentation, and Authorized Signatory Letter will be electronically sent via the Bank's system "Client Connection".

F. Additional Information/Instructions

1. The project may transfer funds from the DA to a local currency account or US dollars account (Project Operation Account). The Kwacha POA will be opened at the Bank of Zambia with a mirror account at commercial bank and US dollar POA account will be opened at a commercial Bank acceptable to the association. Transfers to the local currency PA should be done on a need basis to avoid foreign exchange losses.

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.

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

Attention: [Country Director]¹**Dear [Country Director]:**

Re: IDA [Credit] [Grant]² No. _____ - ____ (Green, Resilient and Transformational Tourism Development Project)

I refer to the [Credit] [Grant] Agreement (“Agreement”) between the International Development Association (“Association”)[, acting as implementing of the]³ and [name of recipient] (“Recipient”), providing the above [Credit] [Grant]. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ⁴[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign Withdrawal Applications (“Application”) [and applications for a special commitment] under this [Credit] [Grant].

For the purpose of delivering Applications to the Association, including by electronic means, ⁵[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ⁶[individually] ⁷[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

¹ Instruction to Bank staff: please forward this letter to Country Lawyer for further processing (Recipient: please do not delete this note).

² Instruction to the Recipient: use “Credit” or “Grant” as applicable. *Please delete this footnote in final letter that is sent to the Association.*

³ 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*

⁴ 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.*

⁵ 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.*

⁶ 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.*

⁷ 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.*

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 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 /

Attachment 2- Interim unaudited Financial Statements

Green, Resilient and Transformational Tourism Development Project (GREAT-TDP)		
Designated Account (DA) Activity Statement		
For the quarterly period ending.....		
IDA Credit/Grant No.: _____		
Deposit Bank: _____ A/C No. _____		
Currency of DA: USD		
PART I		
1. Cumulative advances to end of current reporting period		
2. Cumulative expenditures to end of last reporting period		
3. Outstanding Advance to be accounted (line 1 minus line2)		
PART II		
4. Opening DA balance at beginning of reporting period (as of beginning of quarter)		
5. Add/subtract: Cumulative adjustments (if any)		
6. Advances from World Bank during reporting period		
7. Add lines 5 and 6		
8. Outstanding advances to be accounted for (add line 4 and line 7)		
9. Closing DA-A balance at end of current reporting period (as of ...)		
10. Add/subtract: Cumulative adjustments (if any)		
11. Expenditures for current reporting period		
12. Add line 10 and 11		
13. Outstanding Advance to be accounted for (add line 9 and 12)		
14. Difference (if any) (line 8 minus line 13)		
PART III		
15. Total forecasted amount to be paid by World Bank		
16. Less: Closing DA-A balance after adjustments		
17. Direct payments/SC payments		
18. Add lines 16 and 17		
19. Cash requirement from World Bank for next two reporting period (lines 15 minus line 18)		

**Green, Resilient and Transformational Tourism Development Project (GREAT-TDP) IDA Credit/Grant No:
Sources and Uses of Funds and Cash Forecast - for the Quarter Ending (USD)**

	Quarter			Cumulative			Planned Forecast Next 6 months	
	Actual	Planned	Variance	Actual	Planned	Variance	Original Planned	Revised Planned
Opening Balance								
IDA- Designated Account								
Project Operating Account								
Total								
Add: Source of Funds (received during period)								
IDA- Designated Account								
Total Cash Available	0	0	0	0	0	0	0	0
Less:								
Uses of Funds, BY Disbursement Category								
Total Expenditure	0	0	0	0	0	0	0	0
<i>Cash Available less Expenditure</i>	0	0	0	0	0	0	0	0
Closing Balance								
IDA- Designated Account								
Project Operating Account								
Total Closing Balance	0	0	0	0	0	0	0	0

NOTES**The Following rates were used for conversion:**

a) Opening Balance of Designated Account in Quarter

US\$ = ZMW

b) Funds received and expended converted at the drawdown rate of exchange ruling on the date of the transaction.

c) Closing balance of the Designated Account in Quarter

US\$ = ZMW

FOR OFFICIAL USE ONLY

Drafted by: Wolfgang Chadab, Senior Finance Officer

Cleared with and cc: *[Country Lawyer, Unit]*
 [Task Team Leader, Unit]

Cc: *Baison Banda FMS, EAIGI*