Honorable Moeketsi Majoro  
Minister of Finance  
Ministry of Finance  
P.O. Box 395  
Maseru  
The Kingdom of Lesotho

Dear Honorable Minister:

Re: IDA Credit 6677-LS  
(Lesotho Covid-19 Emergency Preparedness and Response Project)  
Additional Instructions: Disbursement and Financial Information Letter.

I refer to the Financing Agreement between the International Development Association (the “Association”) and the Kingdom of Lesotho (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 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.


(i) Disbursement Arrangements

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, 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.

- **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 Borrower 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.

(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 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, Loan and 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 Association by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,

____________________________
Yoichiro Ishihara
Country Representative for Lesotho
Africa Region
Attachments
1. Form of Authorized Signatory Letter
2. Form of Interim unaudited Financial Report (IFR)
## Basic Information

<table>
<thead>
<tr>
<th>Credit, Number</th>
<th>Country</th>
<th>Recipient</th>
<th>Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>6677-LS</td>
<td>Kingdom of Lesotho</td>
<td>Kingdom of Lesotho</td>
<td>Section III.B.2. of Schedule 2 to the Financing Agreement.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of the Project</th>
<th>Disbursement Deadline Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesotho Covid-19 Emergency Preparedness and Response Project</td>
<td>Four months after the closing date.</td>
</tr>
</tbody>
</table>

## Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Interim unaudited Financial Report (IFR) in the format provided in Attachment 2 of the DFIL</td>
</tr>
<tr>
<td>Advance (into a Designated Account)</td>
<td>Yes</td>
<td>Interim unaudited Financial Report (IFR) in the format provided in Attachment 2 of the DFIL</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes</td>
<td>Copy of Letter of Credit</td>
</tr>
</tbody>
</table>

### Designated Account (Sections 5 and 6 **)

<table>
<thead>
<tr>
<th>Type</th>
<th>Segregated DA A</th>
<th>Ceiling</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution – Name</td>
<td>Central Bank of Lesotho</td>
<td>Currency</td>
<td>USD</td>
</tr>
</tbody>
</table>

| Frequency of Reporting Subsection 6.3 (**) | Quarterly | Amount | Based on six months case flow forecast |

## Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 5,000 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 4th, 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, 13th Floor,  
Upper Hill, Menengai Road,  
P.O. Box 30577 - 00100  
Nairobi, Kenya.  
Tel: 254 20 2936 000
UN-Advances & Commitment may be used when UN Agencies are used to implement part of the project.

** Additional [Information][Instructions] **

** Other **

** Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017. **
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: IDA Credit 6677-LS
(Lesotho Covid-19 Emergency Preparedness and Response Project)
Attention: ________________________, Country Director

I refer to the Financing Agreement (“Agreement”) between the International Development Association (the “Association”), and the Kingdom of Lesotho (the “Recipient”), dated ______, providing the above [Grant] [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 [Grant] [Credit].

For the purpose of delivering Applications to the Association, including by electronic means, 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 Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of

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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.
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 /

___________
## Source and Uses of Funds Report

**Quarter Ended…**

**The World Bank Trust Fund:**

### Opening Cash Balance

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cumulative</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### Add: Source of Funds

<table>
<thead>
<tr>
<th>IBRD Funds</th>
<th>Counterpart funding</th>
</tr>
</thead>
</table>

### Funds Available

<table>
<thead>
<tr>
<th>Less: Uses of Funds by disbursement categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, consultants services, training, workshops and operating costs</td>
</tr>
</tbody>
</table>

### Total expenditures

### Cash available less total expenditure

### Closing Cash Balance (Designated Account)

### Total Cash Balance

The following rates were used for conversion: 1 US$ = …… (opening and closing balances)

Authorized by…………………………………………

Signature and Date:…………………………………..

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### Uses of funds by Component/Activities

**Quarter…**

<table>
<thead>
<tr>
<th>Component</th>
<th>QUARTER</th>
<th>Cumulative</th>
<th>Project Life</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned</td>
<td>Actual</td>
<td>Variance</td>
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</table>

Total Project Expenditures

1. Actual expenditures and foreign currency payments are translated to ZAR at the rates in effect on the dates of the transactions.

Authorized by…………………………………………

Signature and Date:…………………………………..
### Designated Account (DA) Activity Statement

**For the Reporting quarter:**

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>IBRD Loan No.</th>
<th>Deposit Bank:</th>
<th>A/C No:</th>
<th>Currency of DA:</th>
</tr>
</thead>
</table>

#### Part I

1. Cumulative advances to end of current reporting period - 
2. Cumulative expenditures to end of last reporting period - 
3. Outstanding Advances to be accounted (line 1 minus line 2) - 

#### Part II

4. Opening DA balance at beginning of reporting period - 
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 balance at end of current reporting period - 
10. Add/subtract: Cumulative adjustments (if any) - 
11. Expenditures for current reporting period - 
12. Add line 10 and line 11 - 
13. Add line 9 and line 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 SA balance after adjustments - 
17. Direct payments/SC payments (OUTSTANDING OBLIGATIONS) - 
18. Add lines 16 and 17 - 
19. Cash requirement from World Bank for next two reporting periods (line 15 minus line 18) - 

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### Payments Made during Reporting Period ———, 200... Against Contracts Subject to the Bank's Prior Review

<table>
<thead>
<tr>
<th>Contract No</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB's share of Amt Paid to Supplier during Period from the Designated Account in US$</th>
<th>Disbursement Category as per the Grant Agreement</th>
</tr>
</thead>
</table>

Authorized by: ___________________________________________  Signature and Date: ____________

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