H.E Osvaldo Tavares dos Santos Vaz
Minister of Planning, Finance and the Blue Economy
Ministry of Planning, Finance and the Blue Economy
Agua Grande
Caixa Postal Nº168
São Tomé
Democratic Republic of São Tomé and Príncipe

Re: IDA Grant D606-ST (COVID-19 Emergency Response Project)
Additional Instructions: Disbursement and Financial Information Letter.

Excellency,

I refer to the Grant Agreement between the Democratic Republic of Sao Tome e Principe (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced Project. The General Conditions, as defined in the Grant Agreement, provide that the Recipient may from time to time request withdrawals of Grant amounts from the Grant 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 Grant Funds, and Reporting of Uses of Grant Funds.


(i) Disbursement Arrangements

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, 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 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 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 may 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 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 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 Borrower, 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 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 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 Bank by email at askloans@worldbank.org.

Yours sincerely,

By:  

Olivier J. Lambert
Country Manager for Sao Tome E Principe
Africa Region

Attachments
1. Form of authorized Signatory Letter
2. Statement of Expenditure (SOE)
## Schedule 1: Disbursement Provisions

### Basic Information

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country</th>
<th>Recipient</th>
<th>Name of the Project</th>
<th>Closing Date</th>
<th>Section [III.B.2.] of Schedule [2] to the Loan Agreement.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Democratic Republic of Sao Tome and Principe</td>
<td>Democratic Republic of Sao Tome and Principe</td>
<td>COVID-19 Emergency Response Project</td>
<td></td>
<td></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>Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL</td>
</tr>
<tr>
<td>Designated Account</td>
<td>Yes</td>
<td>Customized Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL</td>
</tr>
<tr>
<td>UN Advance</td>
<td>Yes</td>
<td>Financial reports and utilization reports as agreed in the MOU</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>Ceiling</th>
<th>Frequency of Reporting</th>
<th>Minimum Value of Applications (subsection 3.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution</td>
<td>Segregated</td>
<td>Monthly</td>
<td>The minimum value of applications for Reimbursement, Direct Payment and Special Commitment are waived to zero, due the emergency status of the project</td>
</tr>
<tr>
<td>Name</td>
<td>Fixed</td>
<td>Amount 200,000</td>
<td></td>
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</table>

### Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment are waived to zero, due to the emergency status of the project.

### 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 ***)

Authorized Signatures (subsection 3.1 and 3.2).

A letter in the form attached (attached 1) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Application:

The World Bank
Resident Mission
Sao Tomé, Republic of Sao Tome E Principe
Attention: Abdoulaye Seck, Country Director for Republic of Sao Tome Principe
Applications (subsections 3.3 - 3.4). 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, Menengai Road, Upper Hill
Nairobi, Kenya
Attention: Loan Operations & Trust Funds Unit

<table>
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<tr>
<th>Additional Disbursement Instructions</th>
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The Designated Account will be managed by AFAP.

Transfers to a local currency project may be done as and when required to the needs of the project. Excessive transfers should be avoided in order to not incur exchange rates losses, should there be a need to convert back to the USD dominated account.

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<th>Other</th>
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**Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 201**
[Attachment 1 – Form of Authorized Signatory Letter]

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

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

DATE

Re: IDA Grant____-____ (COVID-19 Emergency Response Project)

Attention: ___________________________, Country Director

I refer to the Grant Agreement (“Agreement”) between the International Association and Development (the “Association” and Republic of Sao Tome Principe (the “Borrower”), dated ______, providing the above Grant. For the purposes of Section 2.03 of the General 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 Association, including by electronic means, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

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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.
[Name], [position] Specimen Signature: ________________

[Name], [position] Specimen Signature: ________________

[Name], [position] Specimen Signature: ________________

Yours truly,

/ signed /

___________
# IDA - International Development Association

## Statement of Expenditures

**Payment made during the period from**

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**The following expenditures have been incurred during the retroactive financing period (please tick)**

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<th>Yes</th>
<th>No</th>
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**The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick)**

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<th>Yes</th>
<th>No</th>
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<tr>
<th>Item No</th>
<th>Supplier's Name</th>
<th>Brief Description of the expenditure</th>
<th>Prior Review Contract? (YES or NO)</th>
<th>Contract # (Client Connection # for Prior Review contracts)</th>
<th>Contract currency and amount (original + amendment)</th>
<th>Invoice number</th>
<th>Date of payment</th>
<th>Total amount of invoice covered by Application (net of retention)</th>
<th>% Financed by the Bank</th>
<th>Eligible Amount (Col 9 X 10)</th>
<th>Exchange rate</th>
<th>Date of Withdrawal from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account (Col 11 / 12)</th>
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Supporting documents for this SOE are retained at

(insert location)

A separate form should be used for each category

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TOTAL 0.00
FOR INTERNAL DISTRIBUTION ONLY

Drafted by: George Ferreira da Silva, Finance Officer, (WFACS)

Cleared with and cc: Jacqueline Veloz Lockward, Associate Counsel, (LEGLE)
Carmen Carpio, Senior Health Specialist, TTL, (HAFH3)

Cc: Joao Tinga, Sr. Financial management Specialist, (EA1G2)