

OFFICIAL DOCUMENTS

CR 5622-MW

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The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

September 15, 2016

Honorable Goodall Gondwe
Minister of Finance, Economic Planning and Development
Ministry of Finance, Economic Planning and Development
P.O. 30049
Lilongwe 3
Republic of Malawi

**Re: IDA Financing Number 5622-MW-
Southern Africa Trade and Transport Facilitation Program – Phase 2 (SOP2)
First Revised Disbursement Letter dated November 25, 2015
Additional Instructions: Disbursement**

Honorable Minister:

I refer to the IDA Financing Agreement (“Agreement”) between the Republic of Malawi (“Recipient”) for the above-referenced Project and the International Development Association (“World Bank”) for the above-referenced project, signed. This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This First Revision of the Disbursement Letter dated November 25th, 2016 for the above-referenced project modifies Section II (vi) to update the Financial Institution at which the Designated Account will be held. All other provisions of the Disbursement letter dated May 18, 2012, except as amended, shall remain in force and effect.

The attached *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Credit 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

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Credit:

- Reimbursements
- Advance
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Association.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Agreements.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) 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 Applications:

The World Bank
13th Floor Delta Center
Menengai Road
Upper Hill
P.O. Box 30557-00100
Nairobi Kenya
Tel +254 20 2936 000
Attention: Loan Operations

(ii) Applications (subsections 3.2 - 3.3). 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
13th Floor Delta Center
Menengai Road
Upper Hill
P.O. Box 30557-00100
Nairobi Kenya
Tel +254 20 2936 000
Attention: Loan Operations

(iii) Electronic Delivery (subsection 3.4) The Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association's Client Connection, web-based portal. The option to deliver Applications to the Association by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the Association for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the Association agrees, the Association will provide the Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (<https://clientconnection.worldbank.org>). 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.

(iv) Terms and Conditions of Use of SIDC to Process Applications. 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* (“Terms and Conditions of Use of SIDC”) provided in Attachment [3]; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of all Applications except for advances method applications should be USD 100,000 equivalent.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated.
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** NedBank (Malawi) Ltd
- **Ceiling (subsection 6.1):** Forecast for 2 quarters as provided in the quarterly Interim Financial Report as approved by FMS and TTL.

III. Reporting on Use of Financing Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement and for reporting eligible expenditures from the Designated Account:**
 - Interim Financial Report in the form attached (Attachment 3); and
 - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4)
- **For requests for Direct Payments and Special Commitments:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures (subsection 6.3): Quarterly

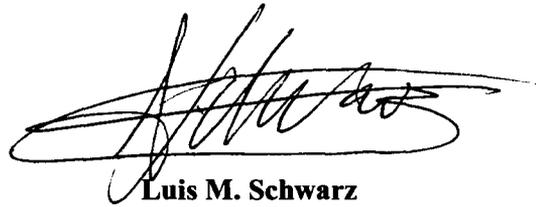
IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank’s public website at <http://www.worldbank.org> and its secure website “Client Connection” at <http://clientconnection.worldbank.org>. Print copies are available upon request.

From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact the Finance Officer, at wfaldafr@worldbank.org, using the above reference.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Luis M. Schwarz', written over a horizontal line.

Luis M. Schwarz
Senior Finance Officer

World Bank Group Finance and Accounting – Loan Operations

Attachments remain the same as in the original DL:

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
3. *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 1 2013.
4. Form of “Interim Financial report”
5. Form of Payments Made during Reporting Period Against Contracts Subject to the Association’s Prior Review