

Date: 13-Mar-2024

Honourable Simplex Chithyola-Banda, M.P.  
Minister of Finance and Economic Affairs  
Ministry of Finance and Economic Affairs  
P.O. Box 30049  
Capital City  
Lilongwe  
Malawi

**Re: Equity with Quality and Learning at Secondary Project  
(Credit No. 6379-MW)  
Amendment 3 to the Financing Agreement**

Dear Honourable Minister:

We refer to the Financing Agreement dated July 25, 2019, as amended, between the Republic of Malawi (“Recipient”) and the International Development Association (“Association”) (“Financing Agreement”), and the additional financing agreement between the Recipient and the Association dated July 19, 2021, in support of the Equity with Quality and Learning at Secondary Project (“Project”). We also refer to your letter dated December 7, 2023, requesting to revise the Results Framework (RF) including reformulation and redefinition of indicators, baseline, and target values of affected indicators.

Please note that the capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meanings ascribed to them in the Financing Agreement.

We are pleased to inform you that the Association agrees to your request and proposes to amend the Financing Agreement as follows:

*[remainder of page intentionally left blank]*

1. The table under Part II of Schedule 4 to the Financing Agreement is hereby amended as follows:

<b>Performance Based Conditions</b>	<b>Action to Be Completed</b>	<b>Amount of the Financing Allocated Per PBC (expressed in SDR)</b>	<b>Amount Allocated per PBC for the Disbursement Calculation (expressed in SDR)</b>
PBC 3. Complimentary streams for delivery of secondary education established	PBC 3.1 Secondary education delivery streams (open secondary schools, double-shift, ODL, public private partnership schools) and financing formula/model reviewed, and clear policy direction provided to inform expansion plan	PBC 3. 7,956,000	PBC 3.1. 720,000
	PBC 3.2 Secondary education sustainable expansion plan finalized and endorsed for implementation		PBC 3.2 2,160,000
	PBC 3.3-3.6 SDR451 disbursed for every additional student enrolled to the complementary stream of secondary education up to a maximum of SDR5,076,000 corresponding to 11,250 additional students in the pilot stream		PBC 3.3-3.6 5,076,000
PBC 4. Percentage of public secondary schools conforming to class size range of 40-60 in form 1 in the 13 selected Districts	PBC 4.1.1 ICT enabled examination management system developed	PBC 4. 7,848,000	PBC 4.1. 360,000
	PBC 4.1.2 school selection digitized with flexibility in admissions at school level established		PBC 4.1.2 360,000


	PBC 4.2-4.6 SDR1,018,286 disbursed for every percentage point improvement on the proportion of schools meeting the prescribed class size in form 1 up to a maximum of SDR7,128,000 corresponding to 50% of CDSS meeting this norm		PBC 4.2-4.6 7,128,000
PBC 5. Number of schools expanded or upgraded based on agreed minimum infrastructure package	PBC 5.1.1 100% compliance to civil works procurement procedures that enhance value for money	PBC 5. 21,234, 240	PBC 5.1.1 720,000
	PBC 5.1.2. Environmental and social management plans (ESMPs) for each site cleared		PBC 5.1.2 1,296,000
	PBC 5.2.1 100% contracts signed		PBC 5.2.1 3,654,720
	PBC 5.2.2 Civil works commenced at 90% of the		PBC 5.2.2 3,600,000
	PBC 5.3-5.4 SDR105,235 disbursed for every school that is completed up to a maximum of SDR10,523,520 corresponding to 100% completion of civil works		PBC 5.3-5.4 10,523, 520
	PBC 5.5 - 5.6 SDR19,440 disbursed for every school that is well maintained up to a maximum of SDR1,440,000corresponding to 75% of the CDSS meeting this norm		PBC 5.5-5.6 1,440,000

All the terms and conditions of the Financing Agreement that have not been amended herein shall remain unchanged and in full force and effect.

Please indicate your agreement to the foregoing, on behalf of the Recipient, by countersigning and dating this letter. This amendment shall become effective as of the date of its countersignature.

Sincerely,

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By:   
Hugh Riddell  
Country Manager for Malawi  
Eastern and Southern Africa Region

AGREED:  
**REPUBLIC OF MALAWI**

By Simplex Chithyola Banda  
Authorized Representative  
Name Simplex Chithyola Banda  
Title Hon  
Date 21-Mar-2024