

NATHAN M. BELETE  
Country Director,  
Tanzania, Malawi, Zambia, Zimbabwe  
Africa Region

Date: 28-Nov-2023

Honourable Simplex Chithyola Banda, M.P.  
Minister of Finance and Economic Affairs  
Ministry of Finance and Economic Affairs  
P. O. Box 30049  
Lilongwe 3  
Republic of Malawi

**Re : IDA Grant Number E2660 -MW**  
**De-risking Importation of Strategic Commodities Project**  
**Additional Instructions: Disbursement and Financial Information Letter**

Honourable Minister:

I refer to the Financing Agreement between the Republic of Malawi (“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 Grant amounts from the Grant Accounts 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**

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 Grant is specified below.

**(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 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 Delivery)**

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 Audits**

### ***(i) Financial Reports***

Interim unaudited financial reports (“IFRs”) are not required for the Project.

### ***(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 transaction was made. The audited Financial Statements and the Management Letter for each such period shall be furnished to the Bank by the Recipient through Ministry of Finance and Economic Affairs (MoFEA) 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 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 Association by email at [askloans@worldbank.org](mailto:askloans@worldbank.org) using the loan name and reference number, *as applicable*.

Yours sincerely,



Hugh Riddell  
Country Manager for Malawi  
Eastern and Southern Africa Region

Attachments

## 1. Form of Authorized Signatory Letter

With copies: Dr. MacDonald Mafuta Mwale  
Secretary to Treasury  
Ministry of Finance and Economic Affairs (MoFEA)  
P. O. Box 30049  
Lilongwe 3  
Republic of Malawi  
Telephone: +265 1789 355  
Email address: [mmwale@rbm.mw](mailto:mmwale@rbm.mw)

Dr. Wilson Banda  
Governor Reserve Bank of Malawi  
Convention Drive City Centre  
P. O. Box 30063  
Lilongwe 3  
Republic of Malawi  
Telephone: +265 1770 600  
Fax: +265 1772 752  
Email: [reserve-bank@rbm.mw](mailto:reserve-bank@rbm.mw)

## Schedule 1 : Disbursement Provisions

A. Basic Information					
Grant Number	IDA E2660 -MW	Country	Republic of Malawi	Closing Date	Section III B.1.5. of Schedule 2 to the Financing Agreement
		Recipient's Representative	Ministry of Finance and Economic Affairs		
		Name of the Project	De-risking Importation of Strategic Commodities	Disbursement Deadline Date	Four (4) months after the Closing Date
B. Disbursement Methods and Supporting Documentation					
Disbursement Methods	Methods	Supporting Documentation			
Direct Payment	Yes	<ol style="list-style-type: none"> <li>1. Copy of letter of grant</li> <li>2. Recipient/Project Implementing Entity notification confirming that (i) an Eligible Event has occurred, been verified, and accepted by the by the Recipient and Project Implementing Entity and, (ii) indicating the amount payable, all-in accordance with the verification protocol.</li> </ol>			
Reimbursement	No	Not Applicable			
Advance (into a Designated Account)	No	Not Applicable			
Special Commitments	Yes	<ol style="list-style-type: none"> <li>3. Copy of letter of grant</li> <li>4. Recipient/Project Implementing Entity notification confirming that (i) an Eligible Event has occurred, been verified, and accepted by the by the Recipient and Project Implementing Entity and, (ii) indicating the amount payable, all-in accordance with the verification protocol.</li> </ol>			
C. Designated Account(s)					
Type and Management Unit	Not Applicable		Ceiling	Not Applicable	
Financial Institution - Name	Not Applicable		Currency	Not Applicable	
Frequency of Reporting <sup>1</sup>	Not Applicable		Amount	Not Applicable	
D. Minimum Value of Applications					

The minimum value of applications for Direct Payment is USD equivalent of amount payable in accordance with the verification protocol.	
<b>E. Authorized Signatures</b> <i>Withdrawal and Documentation Applications</i>	
The form for Authorized Signatory Letter is provided in Attachment 1 of this letter. All Applications and its supporting documentation, and Authorized Signatory Letter will be electronically sent via the Bank's system "Client Connection".	
<b>F. Additional Instructions</b>	
N/A	
<b>Other</b>	
N/A	

**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

**Re: IDA Grant No. E2660 -MW: De-risking Importation of Strategic Commodities Project**

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“Association”) and the Republic of Malawi (“Recipient”), providing the above Grant. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any <sup>2</sup>[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 [Grant] [Grant].

For the purpose of delivering Applications to the Association, including by electronic means, <sup>3</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting <sup>4</sup>[individually] <sup>5</sup>[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 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.

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<sup>2</sup> 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.*

<sup>3</sup> 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.*

<sup>4</sup> 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.*

<sup>5</sup> 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 /

\_\_\_\_\_