

CONFORMED COPY

CREDIT NUMBER 2396 MAI
(Second Amendment)

Second Agreement Amending
Development Credit Agreement

(Entrepreneurship Development and Drought
Recovery Program)

between

REPUBLIC OF MALAWI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 18, 1994

CREDIT NUMBER 2396 MAI
(Second Amendment)

SECOND AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated February 18, 1994, between REPUBLIC OF MALAWI (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Borrower and the Association have entered into a Development Credit Agreement (Entrepreneurship Development and Drought Recovery Program), dated July 2, 1992 (the Development Credit Agreement) for the purpose of assisting in the financing of the program referred to in Recital (A) of the Preamble to the Development Credit Agreement (the Program);

(B) the Borrower and the Association have entered into an agreement dated February 9, 1993 (the First Amending Agreement) amending the Development Credit Agreement for the purpose of providing the Borrower with additional assistance in the financing of the Program;

(C) the Borrower has requested the Association to provide further additional assistance towards the financing of the Program by increasing the amount made available under the Development Credit Agreement by an amount in various currencies equivalent to three million one hundred thousand Special

Drawing Rights (SDR 3,100,000); and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to provide such further additional assistance to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Amendments of the Development Credit Agreement

Section 1.01. Section 1.02 of the Development Credit Agreement is amended by the deletion of the word "and" at the end of Subsection (c), substituting "; and" for "." at the end of Subsection (d) and adding a new Subsection (e) as follows:

"(e) "Second Amending Agreement" means the Second Agreement Amending the Development Credit Agreement (Entrepreneurship Development and Drought Recovery Program) between the Borrower and the Association, dated February 18, 1994;".

Section 1.02. Section 2.01 of the Development Credit Agreement is amended to read as follows:

"Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to ninety-two million seven hundred ninety thousand Special Drawing Rights (SDR 92,790,000) (the Credit), which includes an original amount in various currencies equivalent to eighty-five million four hundred thousand Special Drawing Rights (SDR 85,400,000) and two additional amounts in various currencies equivalent to four million two hundred ninety thousand Special Drawing Rights (SDR 4,290,000) (the First Additional Financing) and three million one hundred thousand Special Drawing Rights (SDR 3,100,000) (the Second Additional Financing)."

Section 1.03. A proviso is added at the end of Section 2.04 (b) of the Development Credit Agreement reading as follows:

"; provided, however, that any commitment charge on the First Additional Financing shall accrue from April 10, 1993 and that any commitment charge on the Second Additional Financing shall accrue from a day sixty (60) days after the date of the Second Amending Agreement."

Section 1.04. The amount of the Credit allocated to Category (1) (b) in the table set forth in paragraph 1 of Schedule 1 to the Development Credit Agreement is increased from SDR 60,312,810 to SDR 63,412,810 and the total amount of the Credit referred to at the end of the said table is increased from SDR 89,690,000 to SDR 92,790,000.

Section 1.05. The following paragraph is added at the end of Schedule 1 to the Development Credit Agreement:

"9. After a date twelve (12) months from the date of this Second Agreement Amending the Development Credit Agreement, no withdrawals shall be made and no commitment shall be entered into to pay amounts, to or on the order of, the Borrower in respect of expenditures to be financed out of the proceeds of the Second Additional Financing. At any time after such date, the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the Second Additional Financing from the Credit Account or any

part thereof."

ARTICLE II

Effective Date; Termination

Section 2.01. This Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Amending Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary governmental action.

Section 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing, on behalf of the Borrower, that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 2.03. This Amending Agreement shall come into force and effect on the date upon which the Association shall dispatch to the Borrower notice of its acceptance of the evidence required by Section 2.01 of this Amending Agreement.

Section 2.04. If this Amending Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Amending Agreement, this Amending Agreement and all obligations of the parties hereunder shall terminate, unless the Association establishes a later date for the purposes of this Section. If this Amending Agreement shall terminate under the provisions of this Section, the Development Credit Agreement, as amended to the date of this Amending Agreement, shall continue in full force and effect, as if this Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF MALAWI

By /s/ Robert B. Mbaya

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox

Regional Vice President
Africa



