

CONFORMED COPY

CREDIT NUMBER 1920 MAI
(Third Amendment)

(Industrial and Trade Policy Adjustment Credit)

between

REPUBLIC OF MALAWI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 3, 1990

CREDIT NUMBER 1920 MAI
(Third Amendment)

THIRD AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated December 3, 1990, between the REPUBLIC OF MALAWI (the Borrower) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Credit Agreement (Industrial and Trade Policy Adjustment Credit), dated September 16, 1988, (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 two agreements dated May 22, 1989 and December 14, 1989 (the First Amending Agreement and the Second 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 five million one hundred thousand Special Drawing Rights (SDR 5,100,000); 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) thereof and the replacement of the ensuing subsection by the following:

"(d) "RBM" means the Reserve Bank of Malawi, the Borrower's Central Bank, established pursuant to the Reserve Bank of Malawi Act (AC No. 8 of 1989);

(e) "Second Amending Agreement" means the Agreement Amending the Development Credit Agreement (Industrial and Trade Policy Adjustment Credit) between the Borrower and the Association, dated December 14, 1989; and

(f) "Third Amending Agreement" means the Agreement Amending the Development Credit Agreement (Industrial and Trade Adjustment Credit) between the Borrower and the Association, dated December 3, 1990."

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 sixty-three million five hundred thousand Special Drawing Rights (SDR 63,500,000) (the Credit), which includes an original amount in various currencies equivalent to fifty million six hundred thousand Special Drawing Rights (SDR 50,600,000), and three additional amounts in various currencies equivalent, respectively, to four million Special Drawing Rights (SDR 4,000,000) (the First Additional Financing), three million eight hundred thousand Special Drawing Rights (SDR 3,800,000) (the Second Additional Financing) and five million one hundred thousand Special Drawing Rights (SDR 5,100,000) (the Third Additional Financing)."

Section 1.03. The date in Section 2.03 is replaced by December 31, 1991.

Section 1.04. 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 July 21, 1989, any commitment charge on the Second Additional Financing shall accrue from February 12, 1990 and that any commitment charge on the Third Additional Financing shall accrue from a date sixty days after the date of the Third Amending Agreement."

Section 1.05. (a) The amount of the Credit allocated to

Category (1) in the table set forth in paragraph 1 of Schedule 1 to the Development Credit Agreement is increased from SDR 50,420,000 to SDR 63,320,000 and the total amount of the Credit referred to at the end of the said table is increased from SDR 50,600,000 to SDR 63,500,000.

(b) Paragraph 5 of Schedule 1 to the Development Credit Agreement is amended by the deletion therefrom of the amount "SDR 25,210,000" and the substitution therefor of the amount "SDR 29,210,000."

Section 1.06. The following paragraph is added at the end of Schedule 1 to the Development Credit Agreement:

"7. (a) After May 21, 1990, 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 First Additional Financing. At any time after such date, the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the First Additional Financing from the Credit Account or any part thereof.

(b) After December 13, 1990, 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.

(c) After a date twelve months from the date of the the Third Amending 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 Third Additional Financing. At any time after such date the Association may, by notice to the Borrower cancel the unwithdrawn amount of the Third Additional Financing from the Credit Account or any part thereof."

ARTICLE II

Effective Date; Termination

Section 2.01. This 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 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 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 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 Agreement.

Section 2.04. If this Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Agreement, this 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 Agreement shall terminate under the provisions of this Section, the Development Credit Agreement, as amended to the date of this Agreement, shall

continue in full force and effect, as if this 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/ R. B. Mbaya

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox

Regional Vice President
Africa

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(b) After December 13, 1990, 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.

(c) After a date twelve months from the date of the the Third Amending 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 Third Additional Financing. At any time after such date the Association may, by notice to the Borrower cancel the unwithdrawn amount of the Third Additional Financing from the Credit Account or any part thereof."

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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.

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