Honourable Joseph Mwanamvekha, MP  
Minister of Finance, Economic Planning and Development  
Ministry of Finance, Economic Planning and Development  
P.O. Box 30049  
Capital City  
Lilongwe 3  
Malawi

Re: Republic of Malawi  
IDA Grant D620-MW  
(COVID-19 Emergency Response and Health Systems Preparedness Project)  
Additional Instructions: Disbursement and Financial Information Letter

Honourable Minister:

I refer to the Financing Agreement between Republic of Malawi (the “Recipient”) and the International Development Association (the “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 Account 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.


(i) Disbursement Arrangements

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, 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.

- **Special Provision**. Projects in situations of urgent need of assistance or capacity constraints: Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.
(ii) **Electronic Delivery.** Section 11.01 (c) of the General Conditions.

The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association’s web-based portal ([https://clientconnection.worldbank.org](https://clientconnection.worldbank.org)) “Client Connection”. This option may be effected if 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 may 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 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. 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://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. **Financial Reports and Audits**

(i) **Financial Reports.** The Recipient must prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports (“IFR”) for the Project covering the quarter.

(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 withdrawal was made. The audited Financial Statements for each such period must be furnished to the Association not later than six (6) months after the end of such period.

III. **Other Information**

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s website ([http://www.worldbank.org/](http://www.worldbank.org/)) and “Client Connection”. The Bank 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 Bank by email at askloans@worldbank.org.

Yours sincerely,

______________________________
Greg Toulmin
Country Manager for Malawi
Africa Region
Attachments

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
## Schedule 1: Disbursement Provisions

### Basic Information

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country</th>
<th>Recipient</th>
<th>Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>D620-MW</td>
<td>Republic of Malawi</td>
<td>Ministry of Finance Economic Planning and Development</td>
<td>Section III.B.2. of Schedule 2 to the Financing Agreement.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of the Project</th>
<th>Disbursement Deadline</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVID-19 Emergency Response and Health Systems Preparedness Project</td>
<td>Four months after the closing date.</td>
<td></td>
</tr>
</tbody>
</table>

### Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL.</td>
</tr>
<tr>
<td>Designated Account</td>
<td>Yes</td>
<td>Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL.</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes</td>
<td>Copy of Letter of Credit</td>
</tr>
</tbody>
</table>

### Designated Account (Sections 5 and 6 ***)

<table>
<thead>
<tr>
<th>Type</th>
<th>DA-A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution - Name</td>
<td>Reserve Bank of Malawi</td>
</tr>
<tr>
<td>Frequency of Reporting Subsection 6.3 (**)</td>
<td>Monthly</td>
</tr>
<tr>
<td>Ceiling</td>
<td>Fixed Ceiling</td>
</tr>
<tr>
<td>Currency</td>
<td>USD</td>
</tr>
<tr>
<td>Amount</td>
<td>USD 1,500,000</td>
</tr>
</tbody>
</table>

### Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment has been waived for the COVID-19 financed projects.

### Authorized Signatures (Subsection 3.1 and 3.2 ***)
The form for Authorized Signatories Letter is provided in Attachment 1 of this letter

### Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 ***)

i) Authorized Signatures and (ii) Applications

Applications for this Financing will be signed by the officials authorized to sign Applications as indicated in your letter of April 11th, 2019 signed by the Secretary of the Treasury, Cliff K. Chiunda.

The address for the new ASL letter AND the Withdrawal Applications and its supporting documentation will be electronically sent via the Bank’s system Client Connection.

The World Bank, Loan Department,  
Delta Center, 13th Floor,  
Upper Hill, Menengai Road,  
P.O. Box 30577 - 00100  
Nairobi, Kenya.  
Tel: 254 20 2936 000

### Additional Instructions
DA-A is to be handled by SATHSSP
UN Advances are also allowed

<table>
<thead>
<tr>
<th><strong>Other</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds from the Designated Accounts may be transferred to Kwacha Holding Account also open at the Reserve Bank of Malawi for further transfer to Project Accounts, open in a Bank acceptable to IDA, for the payment of eligible expenditures as and when required. Transfers should be made as and when required to avoid exchange rate losses.</td>
</tr>
<tr>
<td>As there are lapsed loans in the Malawi portfolio, the advance method would not be allowed until these loans are closed in our records. These remedies are applied as per paragraph 202 and 203 of the Disbursement Handbook. However, as this is a COVID-19 fast track project, all remedies have been waived and therefore advances will be allowed.</td>
</tr>
</tbody>
</table>

**Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.**
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

Attention: Bella Bird, Country Director

Re: Republic of Malawi
IDA Grant D620-MW
(COVID-19 Emergency Response and Health Systems Preparedness Project)

I refer to the Financing Agreement (“Agreement”) between the International Development Association (the “Association”), acting as implementing of the [Grant] [Credit] (the “Recipient”), dated _______, providing the above [Grant] [Credit]. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this [Grant] [Credit].

For the purpose of delivering Applications to the Association, including by electronic means, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

1 Instruction to the Recipient: add text in line with the Grant Agreement if applicable; if not applicable delete it. Please delete this footnote in final letter that is sent to the Association.

2 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.

3 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.

4 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.

5 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.
This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position]  Specimen Signature: ____________________

[Name], [position]  Specimen Signature: ____________________

[Name], [position]  Specimen Signature: ____________________

Yours truly,

/ signed /

__________
Attachment 2 – Statement of Expenditure

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplier’s Name</th>
<th>Brief Description of the expenditure</th>
<th>Prior Review Contract? (YES or NO)</th>
<th>Contract # (Client Connection # for Prior Review contracts)</th>
<th>Contract currency and amount (original + amendment)</th>
<th>Invoice number</th>
<th>Date of payment</th>
<th>Total amount of invoice covered by Application (net of retention)</th>
<th>% Financed by the Bank</th>
<th>Eligible Amount (Col 9 X 10)</th>
<th>Exchange rate</th>
<th>Date of Withdrawal from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account (Col 11 / 12)</th>
<th>TOTAL</th>
</tr>
</thead>
</table>

Supporting documents for this SOE are retained at

(insert location)

A separate form should be used for each category