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THE WORLD BANK
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Honourable Goodall E. Gondwe
Minister of Finance, Economic Planning and Development
Ministry of Finance, Economic Planning and Development
P.O. Box 30049
Lilongwe 3
Republic of Malawi

Re: Republic of Malawi
ASWAP SP MDTF Grant Number TF0A7167
Parallel ASWAP SP MDTF Grant Number TF0A7166
(Second Agriculture Sector Wide Approach support Project)
Additional Instructions: Disbursement and Financial Information Letter

Honourable Minister:

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as Administrator of the Agricultural Sector Wide Approach Support Project Multi Donor Trust Fund, and Republic of Malawi (the "Recipient") for the above-referenced project, of even date herewith. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0A7167 parallel to TF0A7166 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

I. Disbursement Arrangements, Withdrawal and Reporting of Grant Proceeds

The attached World Bank Disbursement Guidelines for Projects, dated February 1, 2017, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

(i) Disbursement Arrangements

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.

(ii) Electronic Delivery

The World Bank may permit the Recipient to electronically deliver applications (with supporting documents) through the World Bank’s web-based portal (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 World Bank by electronic means. The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank 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 World Bank's public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Other Important Information

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

If you have any queries in relation to the above, please contact Maiada Kassem, Finance Officer, with copy to Stella Chepkorir, Finance Analyst at wfaafri@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Greg Toulmin
Country Manager for Malawi
Africa Region
Attachments

1. Form of Authorized Signatory Letter
2. Interim unaudited Financial Report (IFR)

Cc with copies: Ministry of Agriculture, Irrigation and Water Development
P.O. Box 30134
Lilongwe, Malawi

Malawi Roads Authority
Private Bag B346
Lilongwe, Malawi
rahq@ra.org.mw
### Schedule 1: Disbursement Arrangements

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country</th>
<th>Republic of Malawi</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recipient</td>
<td>Republic of Malawi</td>
</tr>
<tr>
<td></td>
<td>Name of the Project</td>
<td>Second Agriculture Sector Wide Approach Support Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods Available</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2 (**)</td>
<td>Subsections 4.3 and 4.4 (**)</td>
<td></td>
</tr>
</tbody>
</table>

- **Direct Payment**: Yes, Copy of Records
- **Reimbursement**: Yes, Interim unaudited Financial Report
- **Designated Account**: Yes, Interim unaudited Financial Report
- **Special Commitments**: Yes, Copy of Letter of Credit

<table>
<thead>
<tr>
<th>Type</th>
<th>DA-A: Managed by MOAID-PFT DA-B: Managed by BFA Two Segregated Designated Accounts</th>
<th>Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Variable Two quarter forecast as per IFR approved by TTL</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Institution - Name</th>
<th>DA-A: Central bank of Malawi? TBC DA-B: Central bank of Malawi? TBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency</td>
<td>USD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frequency of Reporting, Subsection 6.3 (**)</th>
<th>[Same as IFRs: ____][Monthly][Quarterly][Semiannual]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>[Amount] [Not Applicable]</td>
</tr>
</tbody>
</table>

The Minimum Value of Applications for Reimbursement, Direct Payment and Special Commitment is USD 100,000 equivalent.

- Nairobi regional center
- Nairobi
- Kenya
- Loan Operations

N/A

N/A
Attachment 1

Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director]

Dear [Country Director]:

Re: Republic of Malawi
ASWAP SP MDTF Grant Number TF0A7167
Parallel ASWAP SP MDTF Grant Number TF0A7166
(Second Agriculture Sector Wide Approach support Project)

I refer to the Grant Agreement ("Agreement") between the [International Bank for Reconstruction and Development/International Development Association] ("World Bank"), acting as [an implementing agency of the Global Environmental Facility] [administrator of the Global Partnership on Output-based Aid] [administrator of name of the trust fund], and [name of recipient] (the "Recipient"), dated _____, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard 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.

For the purpose of delivering Applications to the World Bank, [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 World Bank.

---

1 Instruction to the Recipient when sending this letter to the World Bank: 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 World Bank.

2 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 World Bank.

3 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 World Bank.

4 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 World Bank.
[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 World Bank by electronic means. In full recognition that the World Bank 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 World Bank that it will cause such persons to abide by those terms and conditions.]

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

[Name], [position] Specimen Signature: __________________________

[Name], [position] Specimen Signature: __________________________

[Name], [position] Specimen Signature: __________________________

Yours truly,

/ signed /

___________________________
[Position]

---

5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the World Bank.*
Attachment 2 – Interim unaudited Financial Statements
Attached separately as provided by FM
<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Deposit Bank</th>
<th>Currency of Designated Account</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Part I

1. Cumulative advances to end of current reporting period
2. Cumulative expenditures to end of last reporting period
3. Outstanding advance to be accounted for (line 1 minus line 2)

## Part II

4. Opening DA Balance at beginning of reporting period (as of beginning of quarter)
5. Add Subtract: Cumulative Adjustments (if any)
6. Advances from World Bank during period
7. Lines 5 and 6
8. Outstanding balances to be accounted for (add lines 4 and 7)

9. Closing DA balance at end of current reporting period (as of quarter)
10. Add Subtract: Cumulative adjustments
11. Expenditures for current reporting period
12. Add lines 10 and 11
13. Add lines 9 and 12

14. Difference (if any) (line 8 less line 13)

## Part III

15. Total forecasted amount to be paid by World Bank
16. Less: Closing DA balance after adjustments
17. Direct Payments / Special Commitments
18. Add lines 16 and 17

19. Cash requirement from World Bank for next two reporting period (line 15 less line 18)
### Grant Number:
Sources and Uses of Funds and Cash Forecast - for the Quarter Ending .......... (USD)

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>Cumulative</th>
<th>Planned Forecast Next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Planned</td>
<td>Variance</td>
</tr>
<tr>
<td><strong>Opening Balance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA- Designated Account-Ministry of Agriculture</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td>IDA- Designated Account-RFA</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td>Project Operating Account-Ministry of Agriculture</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td>Project Operating Account-RFA</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td><strong>Add: Source of Funds (received during period)</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td>IDA- Designated Account-Ministry of Agriculture</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td>IDA-Designated Account-RFA</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td><strong>Total Cash Available</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td><strong>Uses of Funds, BY Disbursement Category</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td>Goods, non-consulting services, consultants' services, operating costs and training for part 1, 3 and 4 of the project</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td>Goods, works, non-consulting services, consultants' services, operating costs and training for part 2 of the project</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
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<tr>
<td><strong>Total Expenditure</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
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<tr>
<td><strong>Cash Available less Expenditure</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
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<tr>
<td><strong>Closing Balance</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
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<tr>
<td>IDA- Designated Account-Ministry of Agriculture</td>
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<td>Actual</td>
<td>Planned</td>
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<tr>
<td>IDA- Designated Account-RFA</td>
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<td>Actual</td>
<td>Planned</td>
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<tr>
<td>Project Operating Account-Ministry of Agriculture</td>
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<td>Actual</td>
<td>Planned</td>
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<tr>
<td>Project Operating Account-RFA</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
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<tr>
<td><strong>Total Closing Balance</strong></td>
<td></td>
<td>Actual</td>
<td>Planned</td>
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</tbody>
</table>

**NOTES**

The following rates were used for conversion:

a) Opening Balance of Designated Account in Quarter .......... US$ = MK
b) Funds received and expended converted at the rate of exchange ruling on the date of the transaction

US$ = MK
c) Closing balance of the Designated Account in Quarter .......... US$ = MK
<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>Quarter</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned</td>
<td>Actual</td>
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<tr>
<td>Dispose of abandoned productivity and commercialisation</td>
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<tr>
<td>1.3.1 Protection of diversified integrated crop production and management</td>
<td></td>
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<td>1.3.2 Protection of integrated soil fertility management</td>
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<tr>
<td>Support of Bank Involvement in Money Market</td>
<td></td>
<td></td>
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<tr>
<td>2.1 Implementation and rehabilitation of improved bank costs</td>
<td></td>
<td></td>
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<tr>
<td>2.2 Implementation support to the entities responsible for the supervision and monitoring of road improvement and rehabilitation</td>
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<tr>
<td>Total</td>
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</table>

**Notes:**

- Ensure all planned activities are completed as per the budget.
- Monitor variances and adjust plans accordingly.
- Regularly update actual progress against planned targets.
Second Agriculture Wide Approach Support Project

Payments Made during Reporting Period
Against Contracts Subject to the Bank's Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Amount Paid to Supplier during</td>
<td>WB's Share of Amt Paid to Supplier</td>
<td></td>
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<td></td>
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<tr>
<td>-------------------------------</td>
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</tbody>
</table>
## Second Agriculture Wide Approach Support Project

Payments Made during the Reporting Period on expenditure
Other than those under Contracts subject to the Bank's Prior Review

<table>
<thead>
<tr>
<th>Category</th>
<th>Brief Description of Goods, Works or Services Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
</tr>
</thead>
</table>