Honorable Goodall E. Gondwe
Minister of Finance, Economic Planning and Development
Ministry of Finance, Economic Planning and Development
P.O. Box 30049
Capital City
Lilongwe 3, Malawi

Dear Honorable Gondwe:

Re: MALAWI: Financing Agreement - Additional Financing for Nutrition and HIV/AIDS Project (Grant No. D1330-MW) and Second Amendment to Original Financing Agreement (Grant No. H761-MW & Credit No. 5068-MW)

Reinstatement of the Financing Agreement and Retroactive Extension of the Effectiveness Deadline

We refer to the Financing Agreement dated August 5, 2016, for the above-referenced Project between the Republic of Malawi ("Recipient") and the International Development Association ("Association") for the Additional Financing for Nutrition and HIV/AIDS Project (Grant No. D1330-MW) and the Second Amendment to the Original Financing Agreement (Grant No. H761-MW & Credit No. 5068-MW) ("Financing Agreement"). We also refer to your letter dated November 24, 2016 (Ref.No.DAD/5/1/3/21) requesting the Association to reinstate the terminated Financing Agreement and to retroactively extend the Effectiveness Deadline of the Financing Agreement to January 31, 2017.

As you are aware, Sections 8.01 and 8.02 of the General Conditions (2010), respectively, specify the following conditions for the effectiveness of the Financing Agreement, namely: (i) that the execution and delivery of the Financing Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action; and (ii) that the Recipient has furnished to the Association a Legal Opinion certifying that the Financing Agreement has been duly authorized or ratified by, and executed and delivered on its behalf, and is legally binding to the Recipient in accordance with its terms.

Furthermore, Section 5.01 of the Financing Agreement provides that the Effectiveness Deadline is ninety (90) days after the date of said Financing Agreement (August 5, 2016). Unfortunately, due to delays in bringing the Financing Agreement into effect, the stated Effectiveness Deadline elapsed and the Financing Agreement terminated.
After due consideration of the reasons for the delay in bringing the Financing Agreement into effect and its subsequent termination, we are pleased to inform you that the Association has acceded to your request. Consequently:

1. The Financing Agreement is hereby reinstated as of its original date of August 5, 2016; and

2. The Effectiveness Deadline is hereby retroactively extended to January 31, 2017. To this end, Section 5.01 of the Financing Agreement is amended to read as follows:

   “The Effectiveness Deadline is the date January 31, 2017.”

All other provisions of the Agreement, except as herein amended, shall remain in full force and effect.

Please confirm your agreement with the foregoing, namely, reinstatement of the Financing Agreement as of its original date of August 5, 2016, and subsequent amendment to the Financing Agreement, on behalf of the Recipient, by countersigning and dating the two original copies of this letter and returning one countersigned and dated original to us. Upon receipt by the Association of the countersigned and dated original copy, the reinstatement of the Financing Agreement and its subsequent amendment shall become effective as of the date of countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Laura Kullenberg
Country Manager for Malawi
Africa Region

AGREED:

REPUBLIC OF MALAWI

By: [Signature]
Name: Goodall E. Gondwe
Title: Minister of Finance
Date: 27 January 2017
Copy to:

Dr. Ronald Mangani
Secretary to the Treasury
Ministry of Finance, Economic Planning and Development

Ms. Chimbwemwe Banda
Principal Secretary
Ministry of Health

Dr. Charles Mwansambo
Chief of Health Services
Ministry of Health

Ms. Madalo Nyambose
Director of Debt and Aid management
Ministry of Finance and Economic Development

Mr. Davie Kalomba
Executive Director
National AIDS Commission

Mr. Felix Pensulo Phiri
Director of Nutrition
Department of Nutrition and HIV/AIDS

Ms. Laura Kullenburg
Country Manager for Malawi
World Bank