H.E. Adriano Afonso Maleiane  
Minister  
Ministry of Economy and Finance  
Av. 10 de Novembro, No. 929, 1º Andar  
Maputo, Mozambique

REPUBLIC OF MOZAMBIQUE: Integrated Feeder Road Development Project  
(IDA Grant No. D2490-MZ)  
Amendment to the Financing Agreement

Excellency:

We refer to the Financing Agreement (the “Agreement”) effective November 29, 2018, between the Republic of Mozambique (“the Recipient”) and the International Development Association (“the Association”) for the above-mentioned Project (the “Project.”).

The Association proposes to amend the Agreement to align the Project activities and Closing Date with those of the Financing Agreement for the Additional Financing of October 3, 2019, as follows:

1. Schedule 1 to the Agreement is amended to read in its entirety as set forth in the Annex to this Amendment Letter.

2. Paragraph 3 of Section III of Schedule 2 to the Agreement is hereby deleted and replaced with the following:

   “3. The Closing Date is December 31, 2025.”

3. Section I (Definitions) of Appendix to the Financing Agreement is hereby amended as follows:

   a. The following definitions are amended and replaced to read in their entirety as follows:

   “Affected Person” means a person who as a result of: (a) the involuntary taking of land under the Project is affected in any of the following ways: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and “Affected Persons” means more than one Affected Person.

   “ANE, IP” or “ANE” means the Administração Nacional de Estradas, Instituto Publico the Recipient’s national road administration, an administrative autonomous public institution established pursuant to the Recipient’s Decree number 65/2019, dated July 30, 2019.
“Environmental and Social Management Framework” or “ESMF” means the plan prepared and adopted by the Recipient dated, disclosed in-country, and on the Bank’s website on October 2, 2017, as updated and disclosed in-country, and in the Bank’s website on September 9, 2019, setting out the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities (including impacts on natural habitat, forests, and physical cultural resources, as well as pest management measures) and the measures to be taken to offset, reduce or mitigate such adverse impacts; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.”

“Environmental and Social Management Plans” or “ESMPs” means (i) the plan prepared and adopted by the Recipient dated, disclosed in-country, and on the Bank’s website on October 2, 2017, setting out details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the respective ESIA’s under the Project, along with the procedural and institutional measures needed to implement such actions, measures and policies, including any schedules to such plans, and as such plan may be amended by the Recipient from time to time, with the prior written approval of the Association.”

“Resettlement Action Plan” or “RAP” means the document in form and substance acceptable to the Association prepared and adopted by the Recipient dated, disclosed in-country, and on the Bank’s website on October 3, 2017, as revised and disclosed in country, and on the Bank’s website on September 9, 2019, which outlines the policies and procedures to be implemented under the Project that have potentially negative impacts on the livelihoods, assets and land of the Affected Persons, as the said plan may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.”

“Resettlement Policy Framework” or “RPF” means the document in form and substance acceptable to the Association prepared and adopted by the Recipient dated, disclosed in-country, and on the Bank’s website on October 2, 2017, as revised and disclosed in-country and on the Bank’s website on September 9, 2019, which outlines the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.”

“RF” means the Fundo de Estradas, Fundo Publico Recipient’s road fund responsible for road sector finance and monitoring, established pursuant to the Recipient’s Decree number 61/2019, dated July 9, 2019 as amended, or any successor thereto.

b. The following definitions are added and placed in alphabetical order, (and existing definitions are consequently renumbered to keep the alphabetical order):

“Climate Resilience Planning Tool” means the web based tool created for the purposes of identifying vulnerable areas and protect road assets by designing resilient interventions to manage the resources in a more predictable and systematic way, allowing consideration of economic losses from extreme flooding and rainfall and the benefits of climate resilience in the assessment and prioritization.”

“Design Manuals” means any of the nine comprehensive climate resilient manuals developed under the Roads and Bridges Maintenance Management Project financed by the Association,
including: Geometric Design Manual (GDM), Site Investigations Manual (SIM), Pavement Design Manual (PDM), Rehabilitation Design Manual (RDM), Hydrology and Drainage Design Manual (HDDM), Specification for bridge loads (SBL), Standard Specifications for Roads and Bridge Works (SSRBW), Standard Details for Roads and Bridges (SDRB), and Guidelines for Performance Specifications (GPS).

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

Please indicate your agreement with the foregoing amendments to the Agreement on behalf of the Recipient by countersigning and dating the two original copies of this letter and returning one countersigned original to us. Upon receipt by the Association of this countersigned copy, this amendment shall become effective as of the date of your countersignature.

Sincerely,

Mark Lundell
Country Director
Mozambique, Comoros, Madagascar, Mauritius and Seychelles
Africa Region

AGREED:

REPUBLIC OF MOZAMBIQUE

By:  
Name:  H.E. Adriano Afonso Maleiane
Title:  Minister, Ministry of Economy and Finance
Date:  November 19, 2019
Annex

SCHEDULE 1

Project Description

The objective of the Project is to enhance road access in selected rural areas in support of livelihoods of local communities, and to upscale activities to provide immediate response to an Eligible Crisis or Emergency as needed.

The Project consists of the following parts:

Part 1: Rehabilitation and Maintenance of Feeder Roads

(a) Financing of: (i) rehabilitation and maintenance works, including bridges, culverts, drifts, graveling, surface treatment, on sections of secondary, tertiary, vicinal, and some unclassified roads to enhance mobility in selected districts in the Zambezia and Nampula Provinces, including design studies and supervision activities, and (ii) the extension of the Zambezia Area-Based Maintenance System into Nampula Province (iii) the reconstruction / rehabilitation and maintenance works, including bridges, culverts, drifts, graveling, surface treatment, on sections of secondary, tertiary, vicinal, and some unclassified roads in Sofala, Manica, Tete, and Cabo Delgado Provinces, including design studies and supervision activities.

(b) Design and implementation of a pilot for road routine maintenance through microenterprises in selected provinces to improve and maintain the standard of roads.

Part 2: Rehabilitation of Primary Road Network

Rehabilitation of the primary road network to enhance connectivity to roads, markets, ports and other economic and social services, including, inter alia, improvement of road safety facilities, improvement of intersections, surface rehabilitation, and rehabilitation or reconstruction of culverts.

Part 3: Pilot Rural Transport Services

Provision of support to pilot a rural transport services program to improve mobility and access to economic and social services to all population groups in the selected areas, including, among others, the assessment of existing transport services and identification of market barriers to provision of transport services, and the usage of information and communication technology-based solutions to connect services and end users in a reliable and cost-effective manner.

Part 4: Capacity Building and Project Administration

Provision of support to the Recipient for: (a) knowledge development and institutional strengthening activities including: (i) improvement of road asset management at the national and subnational levels; (ii) capacity building on road safety, including education, enforcement, and engineering, and emergency response; (iii) technical assistance for promoting public-private partnerships for the road sector; (iv) enhancement of climate resilience into planning and management of road infrastructure; (v) expand the existing Climate Resilience Planning Tool to cover the whole territory; (vi) capacity building
and training of various stakeholders in dissimilation and application of the Design Manuals; (vii) technical assistance to develop a road network preservation strategy and action plan and (b) improved management of Project implementation and supervision including, social and environmental safeguards, identification and mitigation of gender impacts, and citizen engagement;

**Part 5: Contingent Emergency Response**

Provision of immediate and effective response to an Eligible Crisis or Emergency, as needed.