

OFFICIAL DOCUMENTS

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

23 NOVEMBER, 2017

His Excellency Adriano Maleiane
Minister of Economy and Finance
Ministry of Economy and Finance
Maputo
Republic of Mozambique

**REPUBLIC OF MOZAMBIQUE: Cities and Climate Change Project
(Strategic Climate Fund-Pilot Program for Resilience Grant No. TF16580-MZ)
Amendment to the Grant Agreement**

Excellency:

We refer to the Grant Agreement (the "Agreement") dated November 18, 2014, between the Republic of Mozambique ("the Borrower") and the International Development Association ("the World Bank") acting as an implementing entity of the Strategic Climate Fund-Pilot Program for Climate Resilience (SCF-PPCR) for the above mentioned Project (the "Project"), and to your letter dated July 19, 2016 requesting certain amendments to the Project.

Accordingly, the World Bank proposes to amend the Agreement as follows:

1. The Project Description under Schedule 1 to the Agreement is hereby deleted and replaced by the following:

"The objectives of the Project are to strengthen institutional capacity for local revenue enhancement and land use management in targeted Recipient's municipalities, and to enhance climate resilience in the coastal cities of Beira and Maputo."

2. Paragraph (i)(b), under Part A of Schedule 1 to the Agreement is hereby deleted replaced by the following:

"(i). Local level support for improved municipal governance

b. "Improved Urban Planning and Land Use Management: Support including through: (A) the carrying out of climate vulnerability assessments, basic spatial planning studies and development of urban land management Instruments in selected Eligible Municipalities as well as urban environmental and surface water management Instruments in selected Eligible Municipalities vulnerable to climate related flooding and erosion; (B) the development and dissemination of methodologies for urban planning and land use and environmental management; and (C) the carrying out of training sessions for municipal staff and technicians."

2 2

3. Paragraph (i)(c), under Part A of Schedule 1 to the Agreement is hereby deleted and replaced by the following:

“(i). Local level support for improved municipal governance

c. “Enhancement of Municipal Financial Sustainability: Support to improve financial management and enhance municipal revenues, including through the: (A) development and dissemination of methodologies for revenue administration; (B) carrying out of training sessions in revenue administration and financial management for municipal staff; and (C) provision of advisory services and equipment to strengthen the institutional capacity of Eligible Municipalities.”

4. Paragraph (i) under Part B of Schedule 1 to the Agreement is hereby deleted and replaced by the following:

“(i) “Building the capacity of selected municipalities to strengthen resilience to climate-related floods through the carrying out of training sessions for the technical teams of AIAS on climate change impacts on sanitation.”

5. Paragraph (iii) under Part B of Schedule 1 to the Agreement is hereby deleted in its entirety.

6. Paragraph A.2 of Section IV of Schedule 2 to the Agreement is hereby deleted and replaced by the following:

“2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocation of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Grant Allocated (expressed in SDR)	Percentages of Expenditures to be financed (including Taxes)
Goods, works, consultants' services, non-consulting services under Part B (vi) of the Project	9,250,000	100%
TOTAL	9,250,000	

7. Paragraph 12 of Section 1 of the Appendix to the Agreement is hereby deleted and replaced by the following:

“12. Environmental and Social Management Framework” or “ESMF” means the framework disclosed in Mozambique on December 8, 2011, and at the World Bank’s *Infoshop* on the same date and updated on May 23, 2017 in form and substance satisfactory to the Association, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce or mitigate such adverse impact including protection of natural habitats and protection of forests, as amended from time to time with prior written consent of the Association.”

8. Paragraph 31 of Section 1 of the Appendix to the Agreement is hereby deleted and replaced by the following:

“31. “Resettlement Policy Framework” or “RPF” means the framework disclosed in Mozambique on December 8, 2011, and the World Bank’s *Infoshop* on the same date and updated in the *Noticias* newspaper on June 16, 2017 and in the World Bank’s *Infoshop* on June 19, 2017 containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation, and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the World Bank.”

9. Paragraph B.2 of Section IV of the Schedule is hereby deleted and replaced by the following:

“2. The Closing Date is December 31, 2019.”

[remainder of page intentionally left blank]



All the terms and conditions of the Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please indicate your agreement with the foregoing amendments on behalf of the Recipient by countersigning and dating two (2) original copies of this letter and returning one countersigned original to us. Upon receipt by the Association of the countersigned copy, this Amendment will become effective as of the date of the last signature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION



Mark Lundell
Country Director

AGREED:

REPUBLIC OF MOZAMBIQUE

By:  Adriano Malicane

Date: 23.11.2017

Name: _____

Title: 23.11. Minister of Econ. Fin.