Mr. Aiuba Cuerencia  
Minister of Planning and Development  
Ministry of Planning and Development  
Ministério de Planificação e Desenvolvimento  
Caixa Postal 4087  
21 Avenida Ahmed Sekou Touré  
Maputo  
Republic of Mozambique

Mr. David Simango  
President of City Council of Maputo  
City Council of Maputo  
251 Avenida Ho Chi Min  
Praca da Independencia  
Maputo  
Republic of Mozambique

Re: Maputo Municipal Development Program II (Credit No. 4811-MZ)  
Amendment to the Financing Agreement and the Project Agreement

We refer to the Financing Agreement ("Financing Agreement") between the Republic of Mozambique (the Recipient) and the International Development Association (the "Association") and to the Project Agreement ("Project Agreement") between IDA and the City Council of Maputo ("Project Implementing Entity" or "CMM") for the Maputo Municipal Development Program II both dated November 17, 2010, (collectively the "Agreements").

We are pleased to inform you that, pursuant to the Recipient’s request through letter from the Minister of Planning and Development of December 13, 2013, the Association accepts to amend the Agreements as noted below:

1. Financing Agreement  
Section V.1 of Schedule 2 is being amended to reflect the total amount of the Recipient’s contribution for the duration of the Project instead of breaking it down as yearly contribution as originally designed.

Therefore, Section V.1 shall read as follows:

“Without limitation to the provisions of Sections 3.01 of this Agreement and 4.03 of the General Conditions, the Recipient shall make available a total amount of fifteen million dollars (USD 15 000 000) equivalent to the Project Implementing Entity as counterpart funds during the implementation of the Project and shall make the necessary budgetary allocations for such amount to be available to the CMM on a timely basis for Project implementation.”
The table in Section IV.A.2 of Schedule 2 to the Agreement is amended to reflect the reallocation among existing categories as shown in the Annex to this Letter.

2. Project Agreement

Section IV.2 of the Schedule to the Project Agreement is being amended to reflect a single fee adjustment of 40% of the Solid Waste Management Fee by the end of 2014.

Therefore, Section IV.2 of Schedule 2 shall read as follows:

"The Project Implementing Entity shall increase the Solid Waste Fee by at least 40% from its June 30, 2010, value by no later than December 31, 2014"

All terms of the Agreement not hereby amended shall remain in full force and effect.

Please confirm your agreement to the foregoing by signing and dating all three enclosed copies of this Letter of Amendment and returning one to the World Bank.

This Amendment shall become effective on the date of the Recipient's countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Mark Lundell
Country Director
Republic of Mozambique
Africa Region

AGREED:
Republic of Mozambique
By
Authorized Representative
Name: 
Title: 
Date: 02-24-2014

AGREED:
City Council of Maputo
By
Authorized Representative
Name: 
Title: 
Date: 02-24-2014
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works under Parts A.1 (c); A.2 (c); B (c); C (d); D (a); D (b); D (d); and E.2 (b) of the Project</td>
<td>13,360,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, except for Parts A.1 (i) of the Project</td>
<td>2,480,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services</td>
<td>10,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training</td>
<td>920,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Services (other than consultants services) for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Part A.1 (e) of the Project</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Part E.1 (b) of the Project</td>
<td>3,270,000</td>
<td>40%</td>
</tr>
<tr>
<td>(c) Parts B (c); C (c); and C (d) of the Project</td>
<td>330,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Operating Costs, except for Parts A.1 (h) and A.2 (e) of the Project</td>
<td>650,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Compensation for Displaced People to be financed by CMM</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(8) Unallocated</td>
<td>1,090,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>33,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>