September 8, 2017

H.E. Adriano Maleiane
Minister of Economy and Finance
Ministry of Economy and Finance
Maputo
Republic of Mozambique

Excellency:

Re: MOZAMBIQUE: Financing Agreement - Additional Financing for the Emergency Resilient Recovery Project (Credit No. 5951-MZ)

Reinstatement of the Financing Agreement, Retroactive Extension of the Effectiveness Deadline, and Minor Correction of Definition


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.

Section 5.01 of the Financing Agreement specifies the following additional conditions of effectiveness: (a) Subsidiary Agreement has been amended and said amendment executed on behalf of the Recipient and of the Administração de Infraestruturas de Água e Saneamento (“AIAS”); (b) the Recipient has updated and thereafter adopted the Project Implementation Manual; and (c) the Recipient has prepared and/or updated, adopted and disclosed the Environmental and Social Management Framework and Resettlement Policy Framework acceptable to the Association.

Section 5.02 of the Financing Agreement establishes that the additional legal matter consists of the following, namely, that the amendment to the Subsidiary Agreement has been duly authorized or ratified by the Recipient and AIAS and is legally binding upon the Recipient and AIAS in accordance with its terms.

Furthermore, Section 5.03 of the Financing Agreement provides that the Effectiveness Deadline is ninety (90) days after the date of said Financing Agreement, which was further extended until July 21, 2017. 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 February 20, 2017.

2. The Effectiveness Deadline is hereby retroactively extended to September 15, 2017. To this end, Section 5.03 of the Financing Agreement is amended to read as follows:

   "The Effectiveness Deadline is the date September 15, 2017."

3. Due to a clerical error, the definition of "Respective Parts of the Project" in Section 1 of the Appendix to the Financing Agreement is corrected to read as follows:

   "Respective Parts of the Project" means: (a) in the case of MOPHRH-DNGRH, Parts A.5, A.7, C.1, and E of the Project; and (b) in the case of AIAS, Parts A.6 and C.4 of the Project."

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 February 20, 2017, 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

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

AGREED:

REPUBLIC OF MOZAMBIQUE

By: Adriano Maleiane
Name: Adriano Maleiane
Title: Minister of Finance and Economy
Date: September 9, 2017
Cc: Mr. Adriano Ubisse  
    National Director of Treasury  
    Ministry of Economy and Finance  

    Mr. Messias Macie  
    National Director of Water Resource Management  
    Ministry of Public Works, Housing and Water Resources  

    Mr. João Machatine  
    Director General  
    Instituto Nacional de Gestão de Calamidades (INGC)  

    Ms. Rute Nhamucho  
    Executive Director  
    Administração de Infra-Estruturas de Água e Saneamento (AIAS)
Bcc: M. Lundell, R. Bourdeaux, L. Matsinhe, A. Comissario (AFCS2); T. Buckley (AFCMG); E. Langa (GG026); A. Chamuco (GG007); B. Van Bronkhorst, M. Matera, A. Carletto, C. Charanmsuk, J. Sampainho (GSU13); S. Braka Musiime, A. Lopes Delfino, L. Butt (LEGAM); M. Da Cunha, E. Dava (GSU07); P. Sithoe (GEN01); E. Langa (GG026); A. Chamuço (GG007); L. M. Schwarz (WFALA); S. Mcmillan (GWA01); OPCS Waivers Team; WB docs