H. E. Adriano Afonso Maleiane  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Rua da Marginal 929  
Maputo  
Mozambique

Re: Republic of Mozambique: eGovernment and Communications Infrastructure Project  
Credit Number 4601-MOZ

First Amendment to the Financing Agreement

Excellency:

1. We refer to the Financing Agreement (the “Agreement”), dated July 17, 2009, between the Republic of Mozambique (the “Recipient”) and the International Development Association (the “Association”). We also refer to the Recipient’s letter dated December 30, 2014, requesting: (i) changes to the Project activities, (ii) a reallocation of the proceeds of the Financing, and (iii) an extension of the Closing Date.

2. The Association and the Recipient hereby agree to amend the Agreement as follows:

   A. Schedule 1 is deleted and replaced with the Schedule set out in Annex 1 to this letter.

   B. The proceeds of the Financing allocated in the table in Section IV A. of Schedule 2 to the Agreement are reallocated as set out in Annex 2 to this letter.

   C. Section IV. B.2. to the Agreement is deleted and replaced with the following:

      “2. The Closing Date is June 30, 2016.”

3. All other provisions of the Agreement, as amended hereby, shall remain in full force and effect.
4. Please confirm your agreement to the foregoing by signing, dating and returning to us one fully executed original of this amendment letter and retaining one original of the letter for your records. This amendment letter shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Colin Bruce
Director, Regional Integration
Africa Region

AGREED:

REPUBLIC OF MOZAMBIQUE

By ______________________
Authorized Representative

Name: Adriano Molaire

Title: Monitor

Date: 02/27/15

Attachments: Annex 1 and Annex 2
Annex 1

SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient’s efforts to contribute to lower prices for international capacity and extend the geographic reach of broadband networks, and to contribute to improved efficiency and transparency through eGovernment applications.

The Project constitutes the third phase of the Program, and consists of the following parts:

Part A: Enabling Environment

1. Building the capacity of MCT, MTC, INCM, UTICT and other key agencies involved in the ICT sector for monitoring and evaluation and implementation of the Project activities to improve the overall competitive environment for the ICT sector including provision of technical advisory services training and equipment for, inter alia, development or revision of relevant legislation, regulations, policies and standards, implementing a pilot program in support of an analog to digital television migration strategy, supporting the launch of a third mobile operator, implementing open access to infrastructure sharing regulations, and developing cost models for backbone infrastructure.

2. Supporting the capacity for: (i) implementation of recommendations for the ESMF and RPF; (ii) implementation of monitoring and evaluation framework and systems; and (ii) development and implementation of a communications strategy and establishing channels of communication.

3. Provision of technical advisory services for capacity building activities for development of ICT.

Part B: Connectivity

1. Establishing a national internet exchange point, or strengthening the existing one with the necessary technology infrastructure and institutional capacity to provide services to the internet service providers, including carrying out a study to develop a viable business model.

2. Purchasing Telecom Services on the National Backbone and on international networks including access networks for targeted users, including identifying participating institutions and design capacity purchase contracts, through the provision of technical advisory services.
3. Supporting the extension of GovNet to institutions at central and provincial levels, and introducing district level institutions to the network, through the acquisition of equipment.

4. Supporting the connection of national research and higher education institutions to a high speed network, including: (a) strengthening of Network Operating Centre to effectively manage bandwidths and traffic, purchase routing, switching, connectivity and server infrastructures; and (b) building the capacity and institutional support for the establishment of Mozambique Research and Education Network.

5. Supporting connectivity infrastructure and improving access to information and services for the rural communities including: (a) developing the operating principles and financial modeling for operating a community multimedia centre; (b) establishing new community multimedia centers, or upgrading existing community multimedia centers; (c) building the human resource and technical capacity to run the community centers program; and (d) developing knowledge management facilities and content.

6. Supporting innovative demand stimulation programs, including the development of content for the CMC program.

Part C: eGovernment Applications

1. Supporting the Recipient's government cross-cutting activities for operation of common hardware, software and communications, including: (a) defining and establishing appropriate technical standards, data models and procedural schemes to enable seamless interoperability of the eGovernment applications platforms; (b) establishing a web-based portal platform and user interface of the eGovernment services including the development of payment modules for use in public systems; (c) establishing common desktop standards for hardware, software and applications/licenses and local support services; (d) establishing a government Enterprise Service Bus to support messaging and transfer of data between applications and lower levels of computing; (e) supporting the design and planning for operating an eGovernment services operations center; and (f) building the capacity for eGovernment services and platforms.

2. (a) Supporting targeted eGovernment applications including: (i) carrying out an audit of existing systems for the civil identity registry system; and (ii) supporting early development of a civil identity registry application through provision of technical advisory services capacity building, and the purchase of equipment.

(b) Supporting the land information management system including: (i) building the human resource and institutional capacity for use of the land information management systems and graphical information system; (ii) strengthening the capacity for technical Project management skills for the rollout of the system; and (iii) integrating the system into the eGovernment platform and associated equipment.
(c) Supporting the electronic integrated platform for delivery of eGovernment services at one-stop shops, through purchase of equipment.

Part D: Project Management

Strengthening the Capacity of MCT, MTC and UTICT for management and coordination of the Project activities including, recruitment of the Project Coordinator, an advisor at the MTC, a lead information technology architect, at least a procurement manager, a financial management specialist, a monitoring and evaluation specialist, a communications specialist, and environmental consultants as may be required, through the provision of technical advisory services, and acquisition of goods and equipment.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, Consultants’ services, Training and Operating Costs for Parts A, B, C and D of the Project, and Non-consulting Services for Part B of the Project, except for Telecom Services on the National Backbone</td>
<td>11,007,979.34</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Grants for content development initiatives under Part B.5(d) of the Project</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(3) Telecom Services on the National Backbone under Part B.2 of the Project</td>
<td>0</td>
<td>0</td>
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<tr>
<td>(4) Refund of Preparation Advance</td>
<td>32,039.14</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(5) Goods, works, Consultants’ services, Non consulting services, Training and Operating Costs for Parts A, B, C and D of the Project</td>
<td>9,859,981.52</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>20,900,000</td>
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