April 6, 2011

His Excellency Aiuba Cuereneia
Minister of Planning and Development
Ministry of Planning and Development
C.P. 493 21 Av. Ahmed Sekoo Toure
Maputo, Republic of Mozambique

REPUBLIC OF MOZAMBIQUE:
Transfrontier Conservation Areas and Tourism Development Project
(Credit No. 4130 MOZ, GEF TF Grant No. TF056038, and PHRD Grant No. TF054759)
Amendment to the Development Credit Agreement, GEF Trust Fund Grant Agreement, and
PHRD Grant Agreement

Excellency:

We refer to the: (a) Development Credit Agreement (“Development Credit Agreement”) dated December 15, 2005, between the Republic of Mozambique (“the Borrower”) and the International Development Association (“the Association”); (b) Global Environment Facility (“GEF”) Grant Agreement (“GEF Grant Agreement”) dated December 15, 2005, between the Republic of Mozambique (“the Recipient”) and the International Bank for Reconstruction and Development (“World Bank”) (“acting as an implementing agency of the GEF”); and (c) PHRD Grant Agreement (“PHRD Grant Agreement”) dated November 2, 2005, between the Recipient and the Association (“acting as administrator of grant funds provided by the Japan”).

As you know, the Association/World Bank fulfills its fiduciary mandate by conducting Procurement Prior Reviews as well as Procurement Post Reviews, for the projects it finances. In an effort to speed up the procurement process and in the context of overall simplification and modernization of procurement procedures, we propose to increase the minimum thresholds values for contracts subject to Association/World Bank’s prior review by amending the Development Credit Agreement, GEF Grant Agreement, and the PHRD Grant Agreement as follows:

1. **Development Credit Agreement**

   Schedule 3 (Procurement) is deleted in its entirety and is replaced with the Annex I to this amendment letter.

2. **GEF Grant Agreement**

   Schedule 3 (Procurement) is deleted in its entirety and is replaced with the Annex II to this amendment letter.
3. **PHRD Grant Agreement**

Attachment I (Procurement) is deleted in its entirety and is replaced with the Annex III to this amendment letter.

All other provisions of the Development Credit Agreement, GEF Grant Agreement, and the PHRD Grant Agreement, 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/World Bank of this countersigned copy, this amendment shall become effective as of the date of the countersignature.

Sincerely,

/s/ Olivier P. Godron  
Acting Country Director for Mozambique  
Africa Region

AGREED:

REPUBLIC OF MOZAMBIQUE

By /s/ Aiuba Cuereneia  
Authorized Representative

Name ____________________

Title ___Minister___________

Date: __27/04/2011__________
Annex I
(Amended Schedule 3 to the Development Credit Agreement)

“SCHEDULE 3
Procurement

Section I. General

A. All goods, works and services (other than consultants’ services) shall be procured in accordance with the provisions of Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” dated May 2004, as revised in October 2006 and May 2010 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants’ services shall be procured in accordance with Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated May 2004, as revised in October 2006 and May 2010 (the Consultant Guidelines), and with the provisions of this Schedule.

C. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Association of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

Section II. Particular Methods of Procurement of Goods, Works, and Services (other than Consultants’ Services)

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (A) National Competitive Bidding; (B) Shopping; (C) Direct Contracting; (D) Procurement from United Nations Agencies; and (E) Community Participation procedures which have been found acceptable to the Association.

Section III. Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection; (D) Selection of Individual Consultants; and (E) Established Private or Commercial Practices which have been found acceptable to the Association.

Section IV. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.”
Annex II
(Amended Schedule 3 to the GEF Grant Agreement)

“SCHEDULE 3
Procurement

Section I. General

A. All goods, works and services (other than consultants’ services) shall be procured in accordance with the provisions of Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” dated May 2004, as revised in October 2006 and May 2010 (the Procurement Guidelines), and with the provisions of this Schedule.

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The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.”
Annex III  
(Amended Attachment I to the PHRD Grant Agreement)

“Attachment I

Procurement

Section I. General

A. All consultants’ services shall be procured in accordance with Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated May 2004, as revised in October 2006 and May 2010 (the Consultant Guidelines), and with the provisions of this Attachment.

B. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Association of particular contracts, have the meanings ascribed to them in the Consultant Guidelines.

Section II. Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

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