H.E. Aiuba Cueneia  
Minister  
Ministry of Planning and Development  
Maputo  

Mr. Gildo Sibumbi  
Chief Executive Officer (CEO)  
Electricidade de Mocambique, EP  
Maputo  

Excellency:  

REPUBLIC OF MOZAMBIQUE: Transmission Upgrade Project (Credit N.4354)-MOZ  
Amendment No. 1 to the Amended and Restated  
Financing Agreement and Project Agreement  

We refer to the Amended and Restated Financing Agreement (“Financing Agreement”) dated November 15, 2013, between the Republic of Mozambique (“Recipient”) and the International Development Association (“Association”) for the above mentioned Project (“Project”) as amended, and to the Amended and Restated Project Agreement (“Project Agreement”) of same date of the Financing Agreement, between the Association and Electricidade de Mocambique, EP (“Project Implementing Entity”) as amended. We also refer to a letter, dated October 17, 2014 from the Minister of Planning and Development.  

Consequently, we propose to amend the: (i) Financing Agreement to: (a) modify the Description of the Project by adding a new Part in Schedule 1 thereto; (b) delete the reference to the performance indicators in the Project Agreement; and (c) create a new Category in the Disbursement Table and reallocate amounts among existing and new Categories under Schedule 2 thereto; and (ii) Project Agreement to delete the list of performance indicators under the relevant section thereto.  

Therefore, the Agreements are amended as follows:  

Financing Agreement  

Schedule 1  
Description of the Project  

A new Part D is being added to read as follows: Part A.3(iv) of Schedule 1 to the Agreement is amended to read as follows:
"Part D: Reinforcement of the Tete Substation and Mobile Substation

Supporting: (a) the reinforcement of the existing Tete substation, including through the provision of a new 66/33 kV, 50 MVA power transformer and respective switchgear; and (b) provision of a 220/33 kV, 25 MVA mobile substation.

Schedule 2

Section II.A (Project Reports)

The sentence “and set forth in Section II.A.1(b) of the Schedule to the Project Agreement” is deleted and replaced with the sentence “acceptable to the Association” to read as follows:

“The Recipient shall monitor and evaluate the progress of the Project and cause EDM to prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of six months, and shall be furnished to the Association not later than one month after the end of the period covered by such report.”

Section IV A.2

The disbursement table is deleted in its entirety and is replaced by the table reflected in the Annex to this letter.

Section IV B.1(c)

A new sub-paragraph is being introduced to reflect the new disbursement category to read:

“(b) under Category 1(c) unless:

(i) the Recipient has revised and executed the Subsidiary Loan Agreement in a manner and substance satisfactory to the Association”

The Closing Date is hereby extended to June 30, 2016.

Project Agreement

Schedule 2
Section II.A
Sub-paragraph 1(a)

The sentence “set forth below in subparagraph (b) of this paragraph” is deleted and replaced with the sentence “acceptable to the Association” to read as follows:
“EDM shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of six months, and shall be furnished to the Recipient not later than two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report”.

Sub-paragraph 1(b) is deleted in its entirety.

All other provisions of the Agreements, except amended herein, shall remain in full force and effect.

Please indicate your agreement with the foregoing amendments to the Agreements on behalf of the Recipient and of the Project Implementing Entity by countersigning and dating the four original copies of this letter and returning two fully countersigned originals to us. Upon receipt by the Association of the countersigned copies, this amendment shall become effective as of the date of the last countersignature.

Sincerely,

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

AGREED:

REPUBLIC OF MOZAMBIQUE

By: [Signature]
Name: [Name]
Title: [Title]
Date: 08/12/2014

AGREED:

ELECTRICIDADE DE MOZAMBIQUE, EP

By: [Signature]
Name: [Name]
Title: [Title]
Date: 08/12/2014

[Signatures of other parties]
## ANNEX

<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)(a) Works, including supply and installation, and services other than Consultants’ services for Part A of the Project <em>(Pro Memoria)</em></td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>(1)(b) Works including supply and installation, and services other than Consultants’ services for Part C of the Project</td>
<td>5,394,908</td>
<td>100%</td>
</tr>
<tr>
<td>(1)(c) Works including supply and installation, and services other than Consultants’ services for Part D of the Project</td>
<td>2,662,452</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Consultants’ services, Training and Workshops for Parts A &amp; B of the Project</td>
<td>1,042,640</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of Project Preparation Advance</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>9,100,000</td>
<td></td>
</tr>
</tbody>
</table>