Mr. Frédérique de Man  
Ambassador  
Royal Netherlands Embassy  
Maputo,  
Republic of Mozambique

Administration Arrangement between the Netherlands Minister for Development Cooperation and the International Bank for Reconstruction and Development/International Development Association for the Co-financing of Technical and Vocational Education and Training Project (TF070496)  
Amendment No. 1 to the Administration Arrangement

Dear Mr. Frédérique de Man:

We refer to the Administration Arrangement (the Arrangement) dated May 25, 2006, between the Netherlands Minister for Development Cooperation ("Minister") and the International Bank for Reconstruction and Development/International Development Association (Collectively referred to as the Bank) for the Co-financing of Technical and Vocational Education and Training Project. We also refer to your letter, dated September 21, 2010, requesting the Bank to reduce the Minister’s contribution by an amount of US$ 790,900 and extend the Closing Date of the Project from October 30, 2010 to December 31, 2011.

We, therefore, propose to amend the Arrangement in respect of the provisions below:

1. Second paragraph of the Arrangement is amended to read as follows:

The Minister has decided to support the Technical and Vocational Education and Training ("TVET") Project for the Government of Mozambique with the Minister’s internal identification number 12950 and the Bank’s trust fund number TF070496 by making available a grant (the “Grant”) in the amount of Six Million Seven Hundred Nine Thousand United States Dollars (USD $6,709,100).”

2. Payment schedule and the Project end date is revised to read as follows:

“The first payment of one million three hundred thousand United States Dollars (US$1,300,000) will be made upon receipt of the signed and dated Administration Arrangement and a payment request.

Any subsequent payments will be made on the basis of a payment request and an unaudited statement of receipts, disbursements and fund balance as referred to in Section 4.02 (b) of the General Arrangement. Subsequent payments by the Donor shall be in accordance with the following schedule:

- One year after submission of the first payment and upon submission of a payment request by the IDA, two million United States Dollars (US$2,000,000).
• Two years after submission of the first payment and upon submission of a payment request by the IDA, one million six hundred thousand United States Dollars (US$1,600,000).

• Three years after submission of the first payment and upon submission of a payment request by the IDA, one million, four hundred thousand United States Dollars (US$1,400,000).

• Four years after submission of the first payment and upon submission of a payment request by the IDA, four hundred nine thousand one hundred United States Dollars (US$409,100).

The Grant may be used to finance expenditures for the Project commencing on June 1, 2006 and ending on December 31, 2011.”

Please confirm your agreement to the foregoing amendment by signing and dating the two originals of this amendment letter and returning one fully signed original to us. The provisions set forth in this amendment letter will become effective, as of the date of this letter, upon receipt by IDA of one fully executed original of this amendment letter.

Sincerely,

/s/ Olivier Gordon

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Olivier Gordon
Acting Country Director for Mozambique
Africa Region

AGREED:

FOR THE MINISTER FOR DEVELOPMENT COOPERATION OF THE NETHERLANDS

/s/ Mr. Frédérique de Man

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Authorized Representative

Title: __Ambassador_________

Date: __29/10/10_________