

**The World Bank**  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

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Q 952 - ZM

June 26, 2015

Honorable Alexander Bwalya Chikwanda, MP  
Minister for Finance  
Ministry of Finance  
P.O. Box 50062  
Lusaka, Zambia

Dear Honorable Chikwanda:

**Zambia: Advance for the Preparation of Proposed Lusaka Sanitation Project  
Preparation Advance No Q-9520  
Amendment to the Advance Agreement**

We refer to the Letter Agreement (the Agreement) for the above-mentioned Advance, dated November 4, 2014 between the Republic of Zambia (the Recipient) and the International Development Association (the Association). We also refer to the Minutes of Negotiations dated April 15, 2015, in which the Recipient requested to have the proposed Project exempt from the payment of taxes.

We are pleased to inform you that the Association concurs with your request. Accordingly, the Association proposes to amend the Agreement as follows.

1. Section 1.02 of the Annex to the Agreement is amended as follows-
  - (a) a new paragraph "10" is added immediately after the current paragraph "9" to read as follows  

"Taxes" means the output taxes that the Recipient would otherwise levy on goods, works, consultant services, non-consulting services, Training and Operating Costs financed under the Project.
  - (b) Paragraphs "10" and "11" are re-numbered as "11" and "12" respectively.
2. The table in section 3.01 of Article III of the Annex to the Agreement is deleted in its entirety and replaced with the table in the Annex to this letter.

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

Please indicate your agreement with the foregoing amendment by countersigning on the two original copies of this letter and returning one original countersigned copy to us. Upon receipt by the Association of this countersigned copy, this amendment shall become effective as of the date of its countersignature.


Sincerely,  
**INTERNATIONAL DEVELOPMENT ASSOCIATION**



Kundhavi Kadiresan  
Country Director for Zambia  
Africa Region

CONFIRMED:

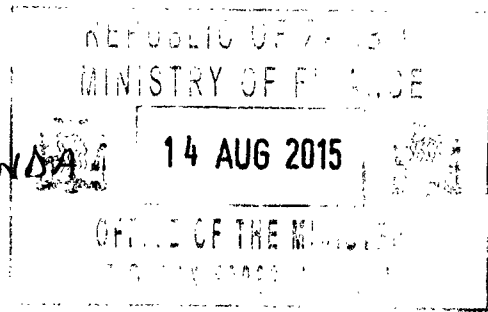
REPUBLIC OF ZAMBIA

By:   
Authorized Representative

Name: ALEXANDER CHIKWANDA

Title: MINISTER

Date: 14/08/15



## Annex

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (Exclusive of Taxes)</b>
(1) Goods ( including vehicles), non-consulting services, consultants services, Training and Operating Costs	3,000,000	100%
<b>Total Amount</b>	<b>3,000,000</b>	