

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE AND ECONOMIC
AFFAIRS**



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MILLENNIUM CHALLENGE ACCOUNT - TANZANIA

23rd September, 2008

Darius Mans
Vice President, Compact Implementation
Millennium Challenge Corporation
875 Fifteenth Street, NW
Washington, DC 20005
United States of America

Millennium Challenge Account-Tanzania
Chief Executive Officer
Kivukoni Front/Ohio Street
P.O. Box 8327
Dar es Salaam
United Republic of Tanzania

**Grant and Implementation Agreement –
Implementation Letter No. 4 Regarding Reallocation of Funds**

Dear Sirs:

Reference is made to that certain Grant and Implementation Agreement by and among the Government of the United Republic of Tanzania (the "**Government**"), Millennium Challenge Account – Tanzania ("**MCA-Tanzania**") and the Millennium Challenge Corporation ("**MCC**") dated as of October 4, 2007 (the "**Grant and Implementation Agreement**"). Reference is also made to those certain Implementation Letters to the Grant and Implementation Agreement, dated April 3, 2008 (the "**609(g) Implementation Letter No.1**"), June 6, 2008 (the "**609(g) Implementation Letter No.2**"), and September 4, 2008 (the "**609(g) Implementation Letter No. 3**"). Reference is further made to the Millennium Challenge Compact (the "**Compact**"), between the Government and the United States of America, acting through MCC, dated as of February 17, 2008 and to that certain letter from Darius Mans dated March 31, 2008 designating certain additional representatives under the Compact. Unless otherwise stated, all capitalized

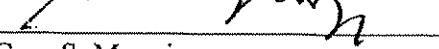
terms that are used but not defined herein shall have the meaning given such terms in the Grant and Implementation Agreement and the Compact.

Pursuant to Section 2.1(b) of the Grant and Implementation Agreement, Grant proceeds disbursed thereunder are to be allocated among the Activities as described in Annex II attached thereto. After consultations with MCC and MCA-Tanzania, the Government is hereby requesting certain alterations to the allocations set out in Annex II to the Grant and Implementation Agreement. Accordingly, the Government, MCA-Tanzania and MCC hereby agree to restate Annex II to the Grant and Implementation Agreement as set out in Exhibit A attached hereto.

If you concur with the terms and conditions set forth in this letter agreement, please provide evidence of your acceptance by countersigning below and delivering the signed letter by facsimile or electronic mail to my attention. This letter agreement may be executed in any number of counterparts which together shall constitute one instrument. This letter agreement shall be effective as of the first date indicated above, upon the signature hereto by each of MCC and MCA-Tanzania. Except as expressly set forth herein, nothing in this letter agreement shall be deemed to amend or modify any provision of the Grant and Implementation Agreement, the Compact or any Supplemental Agreement.

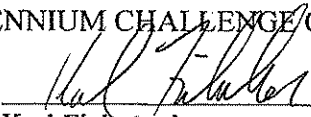
Sincerely,

MINISTRY OF FINANCE AND
ECONOMIC AFFAIRS, acting on behalf
of THE GOVERNMENT OF THE
UNITED REPUBLIC OF TANZANIA

By: 
Gray S. Mgonja
Permanent Secretary to the Treasury

Acknowledged and Agreed by:

MILLENNIUM CHALLENGE CORPORATION

By: 
Karl Fickenscher
Resident Country Director, Millennium Challenge Corporation, Tanzania

MILLENNIUM CHALLENGE ACCOUNT-TANZANIA


By: 
Bernard S. Mchomvu
Chief Executive Officer

EXHIBIT A

609(g) FINANCIAL PLAN

Activities	Budget in (US\$)
Technical assistance to TANROADS	\$845,000
Technical assistance to TANESCO & ZECO	\$5,000,000
Technical assistance to DAWASA, DAWASCO & MORUWASA	\$0
Strategic environmental assessment of Mafia island	\$280,427
Baseline surveys	\$796,940
Fiscal Agent consultant and other support services	\$238,120
External procurement agent and advisory services	\$831,003
MCA-Tanzania Expenses	
• Salaries	\$1,650,326
• Other expenses	\$158,184
Total	\$9,800,000