November 12, 2013

Honorable Rick N Houenipwela
Minister of Finance and Treasury
Ministry of Finance and Treasury
P.O. Box 26
Honiara, Solomon Islands

Dear Minister,

Solomon Islands: Rapid Employment Project (Grant No. TF096620)
Amendment to PRIF Multi-Donor Trust Fund Grant

We refer to the PRIF Multi-Donor Trust Fund Grant Agreement (the “Agreement”) for the above captioned project (the “Project”) dated April 20, 2010, between the Solomon Islands (“Recipient”) and the International Bank for Reconstruction and Development and the International Development Association (collectively, the “World Bank”), acting as administrator of grant funds provided under the Pacific Region Infrastructure Facility (“PRIF”) multi-donor trust fund.

We propose to amend the Agreement to increase the amount of available Grant funds by an additional one million two hundred and ninety thousands United States dollars (US$1,290,000). The increase in Grant funds reflects additional contributions received from PRIF.

1. The first paragraph of the Agreement is amended by revising the aggregate value of the Grant funds not to exceed three million two hundred and ninety thousand United States dollars (US$3,290,000) (“Grant”) on the terms and conditions set forth or referred to in said Agreement.

2. Section 1.01 of the Annex to the Agreement is amended to read as follows:


3. Section 1.02 of the Annex to the Agreement is amended to add the following new definitions:

“(v) “HCC” means the Honiara City Council, the local government body established under Section 4 of the Honiara City Act 1999 for the purpose of the administration of Honiara City, or any successor thereto.”

“(vi) “Sub-Grant” shall have the meaning assigned to that term in the Financing Agreement.”

4. Section 2.01 of the Annex to the Agreement is amended to read as follows:

“2.01. Project Objectives and Description. The objectives of the Project are to assist targeted vulnerable populations in the Recipient’s territory to: (i) increase their incomes through the provision of short-term employment; and (ii) improve their knowledge, experience and basic employment skills that are valued in the workplace and society. The Project consists of the activities described under Parts 1 and 3 of Schedule 1 of the Financing Agreement (the “Activities”).”
5. Section 2.02 of the Annex to the Agreement is amended to read as follows:

“2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.”

6. Section 2.06(a) is amended to read as follows:

(a) General. All goods, works, non-consulting services, and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods, works and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

7. The table in Section 3.01 of the Annex to the Agreement is deleted in its entirety and replaced by the table attached below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in $)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works (incurred by MID)</td>
<td>1,300,000</td>
<td>100 % of amounts disbursed</td>
</tr>
<tr>
<td>(2) Goods, Consultants’ Services, Training and Incremental Operation Costs (incurred by MID)</td>
<td>600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>(4) Sub-Grants (incurred by HCC)</td>
<td>470,000</td>
<td>100 % of amounts disbursed</td>
</tr>
<tr>
<td>(5) Goods, Consultants’ Services, Training and Incremental Operation Costs (incurred by HCC)</td>
<td>820,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,290,000</td>
<td></td>
</tr>
</tbody>
</table>

Except as specifically indicated in this Letter of Amendment, all terms and conditions of the Agreement otherwise remain in full force and effect.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date both enclosed copies of this letter in the space provided and returning one signed copy. This Amendment will become effective on the date of the Recipient’s countersignature.

Sincerely,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/
INTERNATIONAL DEVELOPMENT ASSOCIATION

By ___________________________
Franz R. Drees-Gross
Country Director
Timor-Leste, Papua New Guinea
& Pacific Islands
East Asia and Pacific Region

AGREED:

SOLOMON ISLANDS

By: ___________________________
Authorized Representative

Name: Hon Rick A. Houenipwela
Title: Minister of Finance
Date: 18.11.2013

Enclosures: