Hon. Harry Kuma  
Minister of Finance and Treasury  
Ministry of Finance and Treasury  
P.O. Box 26  
Honiar  
Solomon Islands

Dear Sir,

Solomon Islands Roads and Aviation Project under the Pacific Aviation Investment Program  
Amendment to the IDA Financing Agreement  
(Credit No. 6378-SB; Grant No. D437-SB)

We refer to the Financing Agreement between Solomon Islands ("Recipient") and the  
International Development Association ("Association") signed on behalf of the Association on April  
2, 2019 and countersigned on behalf of the Recipient on April 11, 2019 providing financing for the  
abovementioned project ("Project") ("Financing Agreement") and your letter dated December 19,  
2019, requesting the Association to amend the Financing Agreement to amend the implementation  
arrangements for the Project.

Unless the context otherwise requires and except where otherwise defined in this  
amendment letter, all capitalized terms contained herein shall have the meanings given to them in  
the Financing Agreement.

After due consideration, the Association proposes to amend the Financing Agreement as  
set out below.

1. Section I.A.1 of Schedule 2 to the Financing Agreement shall be deleted and  
replaced with:

   "1. Program Steering Committee  
   
   To ensure proper oversight and implementation of the Program at a regional level, the  
   Recipient shall, in collaboration with the other Program Countries, ensure that the  
   Program Steering Committee is maintained, until the Closing Date. Without limitation to the  
   foregoing, the Program Steering Committee shall: (a) be comprised of inter alia, the  
   chairperson of the National Steering Committees (or their designated representatives) from  
   each of the Program Countries and PASO’s general manager (or a designated representative);  
   (b) have terms of reference satisfactory to the Association; and (c) be responsible for reviewing  
   and evaluating Program implementation progress. To this end, the Recipient shall ensure that the  
   Program Steering Committee shall meet at least three times every calendar year."

2. Section I.A.3 of Schedule 2 to the Financing Agreement shall be deleted and  
replaced with:

   "3. Regional Procurement Evaluation Committee  
   
   RCA 246423. WJ 64145 FAX (202) 477-6391"
The Recipient shall, in collaboration with the other Program Countries, ensure that a Regional Procurement Evaluation Committee, which shall be comprised of representatives from the Program Countries and PASO, to be responsible for, *inter alia*, evaluating regional level procurement activities under the Project, is maintained until the Closing Date."

3. Section I.A.4 of Schedule 2 to the Financing Agreement shall be deleted and replaced with:

"4. Project Support Team

The Recipient shall maintain until the Closing Date, a Project Support Team within the Ministry of Communication and Aviation, with a mandate, composition and resources satisfactory to the Association, which shall: (a) be responsible for, *inter alia*, day to day implementation of the Project including contract management, procurement, financial management, preparing and/or consolidating Annual Work Plans and Budgets, technical aspects, environmental and social safeguards compliance, monitoring, reporting, and evaluation; (b) represent the Recipient on the Regional Procurement Evaluation Committee when procurements are for multiple Program Countries; (c) report to the Permanent Secretary of the Ministry of Communication and Aviation; and (d) be comprised of, *inter alia*: (i) a program manager; (ii) a project manager; (iii) a deputy project manager; (iv) a finance manager; (v) a procurement specialist; (vi) a national safeguards specialist; (vii) a community liaison officer; (viii) a project accountant; and (ix) an administrative assistant."

3. Section I.B.1 of Schedule 2 to the Financing Agreement shall be deleted and replaced with:

"1. To facilitate proper and efficient implementation of the Project, the Recipient shall maintain, until December 31, 2019, the services of TFSU, through TAL, to assist with implementation of the Project, under a Service Agreement with terms and conditions acceptable to the Association, including:

(a) the obligation of TFSU to provide to the Project Support Team technical, fiduciary and safeguards monitoring support for the Project, including preparation and evaluation of bids with the assistance of the Regional Procurement Evaluation Committee;

(b) the obligation of TAL to maintain the TFSU with responsibility for day to day coordination of Project activities and implementation support at the regional level;

(c) the obligation of the Recipient and TAL, in collaboration with the other Program Countries, to ensure that the Program Steering Committee is maintained with composition and terms of reference satisfactory to the Association; and

(d) the Recipient’s obligation to pay its share of the TFSU Costs out of the proceeds of the Financing;

all in accordance with the provisions of this Agreement."
Please confirm the Recipient’s agreement to the foregoing amendments by having an authorized official of the Recipient sign and date the enclosed copy of this amendment letter and returning it to the Association. Upon receipt by the Association of this countersigned copy, this amendment letter shall become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION,

Jane Sprouster
Acting Country Director
Papua New Guinea & Pacific Islands
East Asia and Pacific Region

AGREED:

SOLOMON ISLANDS

By

Authorized Representative

Name: Hon. Harry Luna

Title: Minister of Finance and Treasury

Date: 27 Jan 2020.