July 17, 2014

Honorable Rick N Houenipwela
Minister of Finance and Treasury
Ministry of Finance and Treasury
P.O. Box 26
Honiara
SOLOMON ISLANDS

Dear Minister,

State and Peace Building Fund Grant for
Technical Assistance to the Rapid Employment Project
Grant TF017602

I am writing on behalf of the International Development Association (the Association) to indicate the Association’s agreement, as administrator of grant funds provided by the State and Peace Building Fund (SPF), to make a grant in an amount not exceeding one hundred fifty thousand Dollars ($150,000) (the Grant) to Solomon Islands (the Recipient).

The Grant is made in response to the Recipient’s request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. The Recipient hereby confirms its request that the Association carry out the activities described in paragraph 1 of the Annex to this Letter Agreement, and represents that it is authorized to contract the Grant for the said purposes and on the said terms and conditions.

Please note that it is the Association’s policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure.

Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement.
Upon receipt by the Association of the copy of this Letter Agreement countersigned by you, this Letter Agreement will become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

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

AGREED:
SOLOMON ISLANDS

By:  
Name: Hon Rick N Houenipwela
Title: Minister of Finance
Date: 31.06.2014
ANNEX

Purposes, Terms and Conditions of the Grant

1. The purpose of the Grant is to enable analytical work and capacity building to inform policy decisions by the Recipient regarding models and mechanisms for effective and participatory urban service delivery. The activities (the Activities) for which the Grant is given are as follows:

(a) Assessment and testing of different targeting approaches to reach the poorest communities and households;

(b) Assessment of urban service delivery options and each option’s potential to generate employment;

(c) Assessment and testing of ways to ensure sustainability of project investments; and

(e) Assessment of potential institutional arrangements to manage and deliver future projects.

2. The Grant shall be used to finance short term consultant fees; contractual services; travel expenses; media and workshop costs; and associated overheads required for the Activities.

3. The Association shall carry out the Activities on behalf of the Recipient. The Recipient shall cooperate with the Association to the extent necessary to permit the Association to carry out the Activities promptly and effectively, and to evaluate the results of the Activities. The Recipient shall indemnify the Association against any costs or liabilities incurred by the Association as a result of claims against the Association in connection with the Activities, except those resulting from the gross negligence or willful misconduct of its staff or external consultants.

4. The Association shall carry out the Activities pursuant to this Letter Agreement only to the extent that the Grant funds required for such Activities are available to the Association from SPF.

5. The Activities shall be completed by not later than June 30, 2015, or such later date as the Association may establish by notice to the Recipient (the Closing Date). After the Closing Date, the Association may at any time cancel the remaining balance of the Grant.

6. The engagement and supervision of the consultants (the Consultants) and organization of the workshops and training activities required to assist in the carrying out of the Activities shall be the responsibility solely of the Association and shall be done according to the Association’s applicable procedures.

7. The Recipient may at any time request the Association in writing to terminate the Activities. Whether or not the Recipient has made such a request, the Association may at any time suspend or, after consultation with the Recipient, terminate the right of the Recipient to receive Grant funds for the Activities if any of the following events has occurred and is continuing: (a) the Recipient has failed to perform any of its obligations under this Letter Agreement; or (b) the right of the Recipient, or any other entity to which the International Bank for Reconstruction and Development (the IBRD) has made a loan with the guarantee of the Recipient, to make withdrawals under any loan agreement with the IBRD or any development credit, grant or financing agreement with IDA has been suspended.

9. The Association is not an agent of, or trustee for, the Recipient and shall not have any fiduciary relationship with the Recipient. The Recipient shall have no right to any portion of the Grant that is not expended by the Association pursuant to this Letter Agreement.