August 14, 2014

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

Dear Honorable Minister,

Solomon Islands: Tina River Hydropower Development Project
(Grant No. TF096372)
Amendment to PRIF Grant Agreement

We refer to the Grant Agreement dated March 18, 2010, between Solomon Islands (the 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), as amended (the Agreement).

We propose to amend the Agreement to increase the amount of available Grant funds by an additional one million one hundred fifteen thousand United States dollars (US$1,115,000). 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 four million and thirty thousand nine hundred sixty eight United States dollars (US$4,030,968) ("Grant") on the terms and conditions set forth or referred to in said Agreement.

2. Section 1.02 is amended to include the following definition:

   (c) “Training” means reasonable training under the Project, based on the annual budgets approved by the World Bank, and attributable to seminars, workshops, study tours, travel, subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

3. The table in paragraph 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 USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods, Consultants’ Services, Training, and Incremental Operating Costs</td>
<td>$4,030,968</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>$4,030,968</td>
<td></td>
</tr>
</tbody>
</table>
4. The Closing Date set out in Section 3.03 is revised as December 31, 2015.

    Except as specifically indicated in this amendment letter, 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 letter will become effective on the date of the Recipient’s countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/
INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Juan Carlos Mendoza
Acting Country Director
Timor-Leste, Papua New Guinea
& Pacific Islands
East Asia and Pacific Region

AGREED:

SOLOMON ISLANDS
By: 
Authorized Representative

Name: how rick hecenipogela
Title: Minister of Finance & Treasury
Date: 26.08.2014