Honourable Don Pomb Polye, MP  
Ministry for Treasury  
Vulupindi Haus 4th Floor  
P.O. Box 542  
Waigani, 131 NCD  
Papua New Guinea

Mr. Greg Anderson  
Executive Director  
PNG Chamber of Mines and Petroleum  
First Floor, The Lodge, Bampton Street  
Port Moresby, P.O. Box 1032  
Port Moresby, NCD 121  
Papua New Guinea

Independent State of Papua New Guinea (PNG): JSDF Grant for Social and Economic Empowerment for Women in Mining and Petroleum Areas Project  
JSDF Grant No. TF013887

Dear Honourable Polye and Mr. Anderson:

In response to the request for financial assistance made on behalf of the PNG Chamber of Mines and Petroleum ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by Japan ("Donor") under the Japan Social Development Fund, proposes to extend to the Recipient, for the benefit of the Independent State of Papua New Guinea (PNG) ("Member Country"), a grant in an amount not to exceed two million seventy thousand United States Dollars (U.S.$2,070,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Member Country, hereby confirms its support for, and its commitment to, the objectives of the Project and, to this end, hereby undertakes to take all action necessary or appropriate to enable the Recipient to carry out its obligations set forth in this Agreement, including, without limitation, the provision of funds, facilities, services and other resources required for that purpose, and all necessary measures required to enable the World Bank to visit the territory of PNG for purposes related to the Grant.

Please confirm the Member Country and the Recipient’s agreement with the foregoing by having the authorized officials of the Member Country and the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned original, this Agreement shall become effective as of the last...
countersignature date; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the fully countersigned copy of this Agreement within thirty (30) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]

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

AGREED
INDEPENDENT STATE OF PAPUA NEW GUINEA

By [Signature]
Authorized Representative
Name: [Name]
Title: [Title]
Date: [Date]

AGREED:
PNG CHAMBER OF MINES AND PETROLEUM

By [Signature]
Authorized Representative
Name: [Name]
Title: [Title]
Date: [Date]

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
ANNEX

Article I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement as follows:

(a) "Beneficiaries" means women (age 15 and above), adolescent girls (age 12-14) and men (all ages), particularly men who are not working, selected from the communities in the Project Locations.

(b) "Project Locations" means the Project locations selected on the basis of their proximity to the key mining and petroleum operations, which include Tolukuma, Kainantu, Lihir/Simberi, Samberigi, Kutubu, Kikori, Wau, Porgera, Maigari, Basamuk, Kurumbukari, Mt. Bosavi, Koroba, Kiunga, and Panguna (Bougainville).

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to improve the livelihood and quality of life for the poorest women and their families in fifteen (15) selecte

Part 1. Business Development Training

(a) Beneficiary Identification

(i) Targeting and identifying women in the Project Locations interested in benefiting from the Project, with particular focus on identify women headed households, women who live in households where nobody is earning an income, and women who previously received training under the JSDF supported Women in Remote Mining Communities Project, Grant No. TF055412, administered by the World Bank.

(ii) Identifying men in the Project Locations, particularly men who are not working, and who would be interested in participating in the Project, as part of a comprehensive family-based approach to livelihood development.

(b) Needs Assessment

Carrying out of needs assessment of each of the Project Locations to determine training needs, design and potential delivery mechanisms.
(c) Basic Literacy and Numeracy Training

Provision of six (6) months of basic literacy and numeracy training to Beneficiaries selected from the Project Locations, to mitigate the high illiteracy rates for women and men, taking full advantage of lessons learned and expertise of other second-chance education providers who have worked in other parts of PNG.

(d) Micro-business Development

Provision of skills training and marketing and financial literacy training based on the needs assessments mentioned in paragraph (b) above, and analysis of the market niches in the villages of the Project Locations: (i) to identify livelihood opportunities, including, *inter alia*, agriculture and cash cropping practice and development of small business and cottage industries; (ii) for Beneficiaries to learn about opening and operating bank accounts and simple money management including budgeting and savings plans for households, as well as communications and networking, leadership and management skills; and thereafter (iii) for Beneficiaries participating in Part 1 of the Project, to begin selling their products for local consumption or directly to the mining operations and other commercial buyers.

Part 2. Community-based Advocacy and Awareness Initiative on Gender-Based Violence

(i) Design and implementation of beneficiary needs assessments and stakeholder consultations to identify gender-based violence issues and appropriate approaches to address said sensitive issues. The design and implementation of said needs assessments and consultations should ensure that planned training activities are complimentary to existing interventions and culturally appropriate, and focused on community-based education and outreach to prevent gender-based violence. The above-referred consultations should focus on identifying concrete opportunities for the community to integrate relevant gender-based violence prevention suggestions into existing, locally developed women in mining local action plans.

(ii) Provision of training of trainers programs for local women’s associations to set up and lead a task force composed of: (a) both men and women, and equip them to organize education and outreach activities targeting both men and women in the Project Locations, adopting a rights-based approach, and respond to gender-based violence cases; and (b) an all-female training of trainers to provide voluntary counseling and first responder services for association members and other interested village women from the Project Locations.

(iii) Conducting women- and adolescent girls-only self-defense classes in basic self-defense techniques, formation of self-help groups, and self-esteem building activities.

(iv) Engaging men in the Project Areas in male advocacy activities, in order to educate them about the problems caused by violence against women and their role in protecting women in their households and in the community.
Part 3. Artisanal and Small Scale Mining ("ASM") Gender Needs Assessment

(i) Carrying out of a needs assessment utilizing participatory qualitative methods to identify gender-specific risks and benefits faced by women small-scale miners in PNG, through a particular focus on the Project Locations.

(ii) Based on the needs assessment to be carried out under Part 3(a) above, develop an action plan to mitigate risks and increase benefits, in line with PNG’s operational strategies for ASM.

Part 4. Leadership and Self-Esteem Building Training for Adolescent Girls

(i) Provision of self-esteem training to adolescent girls between the ages of 12-14 in the Project Locations, including training in self-development, beginning with basic self-esteem awareness education and building up to a leadership program. This training activity aims to provide adolescent girls with the tools and resources to form their own associations, and link these associations to existing local women’s associations to encourage mentoring and collaboration.

(ii) Providing adolescent girls with disposable cameras and training on how to use them, and document life in their communities. This activity aims to use the photos as the basis of workshops where girls are encouraged to identify ways of participating in the development of their community and also be presented as exhibition. This activity should include prior development of a detailed methodology defined to ensure that girls are given guidance and training to be safe in documenting their communities.

Part 5. Project Management, Monitoring and Evaluation, and Knowledge Dissemination

(i) Support for overall Project implementation, management and monitoring and evaluation, timeline and implementation arrangements; monitoring and evaluation plans; any necessary risk mitigation plans; baseline survey and final impact evaluation tools for the Recipient and the Beneficiaries to use throughout Project implementation.

(ii) Employ knowledge dissemination approaches including participation at the Fourth Women in Mining and Petroleum Conference in PNG (2016) where all relevant actors that participated in Project design and implementations, Beneficiaries, government, company and Donor representatives share lessons learned and identify ways of adapting or scaling up the most successful Project components.
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: (a) the provisions of 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.

2.03. **Institutional and Other Arrangements.**

(a) The Recipient shall ensure that applicants interested in participating in the Project activities are invited to nominate themselves in an open and transparent manner, and shall select Beneficiaries based on vulnerability criteria through participatory social mapping, satisfactory to the World Bank.

(b) The Recipient shall ensure that all the necessary and appropriate measures are taken to ensure the safety of all Beneficiaries participating in the Project, particularly, for the purposes of Part 4(b) of the Project, and prior to the implementation of said part, the Recipient shall develop detailed guidelines, satisfactory to the World Bank, setting forth the methodologies, training and safety measures required for the carrying out of said part.

2.04. **Donor Visibility and Visit**

(a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request take all measures required on its part to enable the representatives of the Donor to visit any part of the Member Country’s territory for purposes related to the Project.

2.05. **Financial Management**

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements, which adequately reflect the operations, resources and expenditures related to the Project, audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.
2.06. **Procurement**

(a) **General.** All goods 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:


(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”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods**

The following method may be used for procurement of goods for those contracts specified in the Procurement Plan: Shopping.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants’ Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in U.S. $)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>235,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ Services</td>
<td>337,800</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training</td>
<td>1,288,700</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Operating Costs</td>
<td>208,500</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,070,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section: (i) the term “training” means training conducted in the territory of the Recipient, including purchase and publication of materials, rental of facilities, course fees, and travel and subsistence of trainees; and (ii) the term “operating costs” means operating costs required for the Project including consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, and travel, lodging and per diems.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is four (4) years after the date of countersignature of this Agreement by the Recipient.
Article IV
Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Executive Director, Chamber of Mines and Petroleum.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

PNG Chamber of Mines and Petroleum
First Floor, The Lodge, Bampton Street
Port Moresby, P.O. Box 1032,
Port Moresby, NCD 121
Papua New Guinea

Facsimile:
(675) 321 7107

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391