August 16, 2013

Hon. Faumuina Tiatia Faaolatane Liuga  
Minister of Finance  
Ministry of Finance  
Matafele  
Apia  
Independent State of Samoa  

Excellency:  

Independent State of Samoa:  
Advance Agreement for Preparation of Proposed Samoa Aviation Investment Project  
Project Preparation Advance No. Q8730-SAMOA  

In response to the request for financial assistance made on behalf of the Independent State of Samoa (the “Recipient”), I am pleased to inform you that the International Development Association (“IDA” or the “World Bank”) proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed three hundred and fifty thousand Dollars ($350,000) (the “Advance”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which include the attached Annex, to assist in financing the activities described in the Annex (“Activities”). The objective of the Activities is to facilitate the preparation of a proposed project designed to improve operational safety and oversight of international air transport and associated infrastructure (the “Project”), for the carrying out of which the Recipient has requested the World Bank’s financial assistance.  

The Recipient represents, by confirming its agreement below, that (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.  

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of 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 copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer
of this Agreement shall be deemed withdrawn if the World Bank has not received this
countersigned copy within thirty (30) days after the date of signature of this Agreement by the
World Bank, unless the World Bank has established a later date for such purpose.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

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

AGREED:

Independent State of Samoa

By:

Authorized Representative

Name: Faumuina Tiatia Liuga

Title: Minister of Finance

Date: Sept 2nd, 2013

Enclosures:

(1) "Standard Conditions for Advances Made by the World Bank under its Project
Preparation Facility," dated July 31, 2010
(2) Disbursement Letter for the Advance of the same date as this Agreement, together with
"World Bank Disbursement Guidelines for Projects," dated May 1, 2006
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 ("Standard Conditions") constitute an integral part of this Agreement.

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.

Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following:

(a) Conduct core sampling and pavement strength testing, to include an engineering design brief for the Project’s main runway and apron areas;

(b) Finalize, publish, and hold consultations on Project safeguard instruments;

(c) Conduct an independent assessment of the condition of fire tenders for refurbishment; and

(d) Engagement of the Technical and Fiduciary Services Unit for supporting coordination of Activities.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall cause the Samoa Airport Authority to carry out the Activities in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. **Institutional and Other Arrangements.** The Recipient shall:

(a) ensure that the Samoa Airport Authority shall:

(i) carry out the Activities with due diligence and efficiency;

(ii) promptly provide the facilities, services and other resources required for the Activities;

(iii) furnish to the Recipient and World Bank all information concerning the Activities and the use of the proceeds of the Advance as the World Bank shall reasonably request;
(iii) from time to time exchange views with the World Bank’s representatives on the progress and results of the Activities; and

(iv) sign a Service Agreement with Tonga Airports, Ltd for use of the Technical and Fiduciary Services Unit, under terms to be acceptable to the Association, for purposes of providing technical support towards the implementation of the Activities.

(b) take all necessary measures required to enable the World Bank’s representatives to visit the territory of the Recipient for purposes related to the Advance.

2.04. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. **Financial Management**

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than 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 audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. **Procurement**

(a) **General.** All services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

(i) 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

(ii) 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 Activities in accordance with 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, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Consultants' Services**

(i) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Single-source Selection; (B) Selection of Individual Consultants; and (C) Sole Source Procedures for the Selection of Individual Consultants.

(d) **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 the Advance**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance 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 each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated 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 Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultant’s Services and *Incremental Operating Costs</td>
<td>350,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>350,000</td>
<td></td>
</tr>
</tbody>
</table>

*“Incremental Operating Costs” means incremental expenses incurred by the Samoa Airport Authority (other than TFSU Operating Costs) on account of the implementation, management, and monitoring and evaluation of the Activities, based on the budgets approved by the Association, including bank charges, communications, utilities, stationery, vehicle operation, maintenance, and insurance, transportation costs.

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. **Refinancing Date.** The Refinancing Date is June 30, 2014.

**Article IV**  
**Terms of the Advance**

4.01. *Refinancing under the Refinancing Agreement:* If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. *No Repayment in the absence of a Refinancing Agreement:* Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

**Article V**  
**Recipient’s Representative; Addresses**

5.01. *Recipient’s Representative.* The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is its Secretary General.

5.02. *Recipient’s Address.* The Recipient’s Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Finance  
Private Bag  
Apia, Independent State of Samoa

Facsimile: 685 21 312

5.03. *World Bank’s Address.* The World Bank’s Address referred to in Section 9.01 of the Standard Conditions is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

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