Project Agreement

(Additional Financing for the Second Infrastructure Asset Management Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

And

LAND TRANSPORT AUTHORITY

Dated March 6, 2012
PROJECT AGREEMENT

Agreement dated March 6, 2012, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and LAND TRANSPORT AUTHORITY ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") dated August 13, 2007 (as amended) between the Independent State of Samoa ("Recipient) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project and the Program. To this end, the Project Implementing Entity shall carry out Parts B and D of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Chief Executive Officer.

4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America
4.03. The Project Implementing Entity's Address is:

Land Transport Authority
Private Bag
Apia, Samoa

Facsimile:

+685 26739

AGREED at Sydney, Australia, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

LAND TRANSPORT AUTHORITY

By

Authorized Representative
SCHEDULE

Execution of the Project Implementing Entity’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall retain and, thereafter, maintain, until completion of the Project, a Project component manager for purposes of managing, monitoring and coordinating procurement, accounting, disbursement, financial management and other activities related to the carrying out of its Respective Parts of the Project; all with qualifications and experience and terms of reference satisfactory to the Association.

B. Subsidiary Agreement

1. The Project Implementing Entity shall enter into the Subsidiary Agreement with the Recipient and shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient, the Association, and the Bank and the Association as administrator of the Pacific Region Infrastructure Facility Multi Donor Trust Fund, and to accomplish the purposes of the Credit and the PRIF Grant Agreement. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Parts of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Project Implementing Entity shall:

   (a) carry out its Respective Parts of the Project in accordance with the provisions of the Environmental Policy Framework, the Land Acquisition and Resettlement Framework and the Resettlement Action Plan, as the case may be; and

   (b) not abrogate, amend, assign, repeal, suspend or waive the provisions of the Environmental Policy Framework, the Land Acquisition and Resettlement Framework and the Resettlement Action Plan without the prior agreement of the Association.

2. Without limitation on the provisions of paragraph 1 of Section II.A of this Schedule I, the Project Implementing Entity shall prepare and furnish to the Association as part of each Project Report for its Respective Parts of the Project the progress with respect to the implementation of the Environmental Policy Framework, the Land Acquisition and Resettlement Framework and the Resettlement Action Plan, and inform the Association...
of any event which interferes or which threatens to interfere with the timely implementation of either one thereof.

3. In the event of any inconsistency between the provisions of the Environmental Policy Framework, the Land Acquisition and Resettlement Framework or the Resettlement Action Plan, as the case may be, and this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in the Financing Agreement, as amended. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Recipient not later two (2) weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than two (2) months prior to the Closing Date for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Parts of the Project.

2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Project Implementing Entity. The audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of the period.

Section III. Procurement

All goods, works and services required for the Project Implementing Entity's Respective Parts of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.