February 17, 2016

Honorable Gaetan Pikioune
Minister of Finance and Economic Management
Private Mail Bag 9058
Port Vila
VANUATU

Dear Minister,

Vanuatu: Increasing Resilience to Climate Change and Natural Hazards Project
(EU Grant Number TF013869)
Amendment to Grant Agreement

I refer to the Grant Agreement between the Republic of Vanuatu ("Recipient") and the International Bank for Reconstruction and Development ("World Bank"), acting as Administrator of grant funds provided by the European Union ("EU") dated July 12, 2013 for the above-referenced Project, as amended to date ("EU Grant Agreement"). I also refer to the letters from the Director General of the Ministry of Climate Change Adaptation, Meteorology, Geo-hazards, Environment and Energy dated June 19, 2015 and November 23, 2015 requesting certain amendments to the EU Grant Agreement and for an additional tranche of grant funds to support the Recipient’s emergency recovery program developed in response to the impacts of Tropical Cyclone Pam.

I am pleased to acknowledge on behalf of the World Bank the intention of the EU to make available additional grant funds in the amount of nine hundred, seventy three thousand, seven hundred and fifty Euro (EUR 973,750) for the above-referenced Project. Accordingly, we propose to amend the Grant Agreement as follows:

1. Article 3.01 is amended to read as follows:

   "3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount of one million eight hundred ninety seven thousand and seven Euro (EUR 1,897,007) ("Grant") to assist in financing of the Project."

2. The withdrawal table in Section IV.A.2 of Schedule 2 is deleted in its entirety and replaced with the Attachment to this amendment letter.

All capitalized terms used in this Letter of Amendment have the same meaning assigned to them in the EU Grant Agreement. All the terms of the EU Grant Agreement not hereby amended will 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 the enclosed copies of this letter of amendment, and returning one copy to the World Bank. This amendment of the EU Grant Agreement shall become effective upon receipt by the World Bank of the countersigned copy of the amendment letter.

Sincerely,

[Signature]

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

Confirmed and agreed:
REPUBLIC OF VANUATU

[Signature]
Name: Gavuen Pikioune
Title: MINISTER OF FINANCE
Date: 28/02/16

Mr. Jesse Benjamin, Acting Director General, MECC
Ms. Cherifata Mla, Acting Director General, MIA
Mr. David Gibson, Director, VAGD
Mr. Shadrack Welegrabrit, Director, FDMO
Mr. Ben Lahi, Acting Director, DEX
Mr. Logan Walsh, Chargé d’Affaires, Delegation of the European Commission to the Solomon Islands
Ms. Nancy Wells, ADH W. Hanson Officer
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in EUROS)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services,</td>
<td>1,198,750</td>
<td>100%</td>
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<tr>
<td>Training, and Operating Costs under Components 1, 2.1, 3.2 and 4 of the</td>
<td></td>
<td></td>
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<tr>
<td>Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants' services,</td>
<td>450,000</td>
<td>100%</td>
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<tr>
<td>Training and Operating Costs under Component 3.1 of the Project</td>
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<td></td>
</tr>
<tr>
<td>(3) Goods, works and consulting services for Small Grants</td>
<td>248,257</td>
<td>100%</td>
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<tr>
<td>under Component 2.2 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,897,007</td>
<td></td>
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