February 19, 2013

Hon. Don Polye
Minister of Treasury
Ministry of Treasury
P.O. Box 542
Waigani N.C.D.
PAPUA NEW GUINEA

Papua New Guinea: Urban Youth Employment Project
(Credit No. 4854-PG)

Amendment to the Financing Agreement

Honorable Minister,

We refer to the Financing Agreement (the “Agreement”) for the Papua New Guinea: Urban Youth Employment Project (the “Project”) dated March 3, 2011, between the Independent State of Papua New Guinea (the “Recipient”) and the International Development Association (the “Association”). We refer also to your letter dated August 29, 2012 requesting the Association to make changes to the Agreement so as to reflect changes to the administration of the Recipient’s revenue laws.

We are pleased to inform you that the Association concurs with your request. Accordingly, Section IV.A.3 of Schedule 2 to the Agreement is amended to read as follows:

“3. Pursuant to the Loans and Assistance (International Agencies) Act, Chapter No. 132 of the Revised Laws of Papua New Guinea (the “Act”), and by this Agreement and the Project Agreement with the Association, the Recipient confirms that any persons, income, matter or thing that is directly engaged in and directly forms part of this Agreement or the Project Agreement with the Association, is exempt from any tax, duty, or imposition under the revenue laws administered by the Commissioner General of the Internal Revenue Commission and the Commissioner of the Customs Department. If any change is made to the Act that will affect this exemption from tax, duty or imposition under the Project, the Recipient shall notify the Association in writing.”

Unless the context otherwise requires and except where otherwise defined in this Letter of Amendment, all capitalized terms contained herein shall have the meanings assigned to them in the Agreement.
All terms of the Agreement not hereby amended shall 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 copy of this amendment letter, and returning it to the Association.

This amendment letter shall become effective on the date of the Recipient’s countersignature.

Sincerely,

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

AGREED:

INDEPENDENT STATE OF PAPUA NEW GUINEA

By

Authorized Representative

Name

Title

Date
Cc:

Hon. Charles Abel, Minister for National Planning and District Development
Hon. James Marape, Minister for Finance
Dr. Peter Ga’allah Kora, Secretary for Department of National Planning and Monitoring
Mr. Simon Tosali, Secretary for Treasury
Mr. Stephen Gibson, Secretary for Finance
Mr. Manasupe Zurenuoc, Chief Secretary to Government
Mr. Reichert Thanda, Acting First Assistant Secretary, Foreign Aid Division
Mrs. Linda Taman-Ako, Acting Assistant Secretary, Multilateral Branch
Mr. Martin Pomat, Senior Aid Coordinator, World Bank Desk
Mr. John Uware, FAS, Financial Management Division, Department of Treasury
Mr. Damien Horiambe, Assistant Secretary, Loans Execution Division, FMD,
Ms. Roselyn Irum, Acting Assistant Secretary, Accounting and Settlements, FMD
Ms. Lia Kenehe, Senior Financial Analyst- World Bank, FMD

Cleared with and bcc: Marjorie Mpundu, Country Lawyer, LEGES; TACT