Hon. Tuilaepa Sailele Malielegaoi
Prime Minister and Minister of Finance
Ministry of Finance
P.O. Box 3017
Apia
Independent State of Samoa

Dear Honorable Prime Minister,

Independent State of Samoa: PRIF Multi-Donor Trust Fund Grant No. TF017563
To Co-finance the Enhanced Road Access Project

In response to the request for financial assistance made on behalf of the Independent State of Samoa ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Pacific Region Infrastructure Facility multi-donor trust fund, proposes to extend to the Recipient a grant in an amount not to exceed United States Dollars 6.346 million ("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 above-mentioned trust fund for which the World Bank receives periodic contributions from the Donors. 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 Donors under the above-mentioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement.
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/INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Robert Utz
Acting Country Director
Timor-Leste, Papua New Guinea & Pacific Islands
East Asia and Pacific Region

AGREED:
INDEPENDENT STATE OF SAMOA

By

Authorized Representative

Name: Tuilaepa Sailele Malielegaoi
Title: Prime Minister & Minister of Finance
Date: October 8, 2014

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
PRIF Grant No. TF017563
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; in this Agreement; or in the Financing Agreement, dated November 1, 2013, between the Recipient and the International Development Association, providing a grant (Grant No. H884-WS) in support of the Project (as the same may be amended from time to time, the "Financing Agreement").

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to restore key road sector assets damaged by extreme weather events and enhance the climate resilience of critical roads and bridges in the Recipient’s territory. The Project consists of the following parts:

Part 1: Road and Bridge Reconstruction

Repair roads and bridges damaged by TCE and upgrade, rehabilitate and/or reconstruct existing road sector assets to higher standards to strengthen their resilience to climate change and extreme weather events.

Part 2: Technical Assistance

Support institutional and regulatory reforms in road management and maintenance by:

(a) revising standards for maintaining and constructing roads and bridges to be more climate resilient;

(b) updating legal and regulatory arrangements for enforcing axle load limits;

(c) strengthening the LTA’s technical capacity to effectively plan and manage the sector, including developing a bridge maintenance program; and

(d) addressing emerging priority issues that could have an impact on the Recipient’s ability to create more climate resilient road sector assets.
Part 3: Project Management

Assist the LTA to implement the Project through the provision of effective procurement, financial management, monitoring and evaluation services.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the LTA in accordance with the provisions of: (a) 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”); (c) this Article II; and (d) the Project Implementation Agreement.

2.03. Institutional and Other Arrangements.

(a) The Recipient shall:

(i) maintain throughout Project implementation period, a Project Management Unit under the authority of Ministry of Finance with responsibility for assisting the LTA in the implementation of the Project, including financial management and procurement matters, said Project Management Unit shall be endowed with powers, staffing, and terms of reference acceptable to the World Bank; and

(ii) cause the LTA to appoint, and thereafter maintain throughout Project implementation, a Project coordinator within the LTA to administer and coordinate the implementation of the Project, and with terms of reference, experience and qualifications acceptable to the World Bank.

2.04. Safeguards. The Recipient shall:

(a) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguard Instruments;

(b) Whenever an additional or revised assessment or Plan shall be required for any proposed Project activity in accordance with the provisions of the Environmental and Social Screening and Assessment Framework, the Recipient shall:

(i) prior to the commencement of such activity, proceed to have such assessment or Plan: (A) prepared in accordance with the provisions of the Environmental and Social Screening and Assessment Framework, (B) furnished to the World Bank for review and approval; and (C) thereafter adopted and disclosed as approved by the World Bank, in a manner acceptable to the World Bank;
(ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such assessment or Plan; and

(iii) in the case of any resettlement activity under the project involving Displaced Persons, ensure that no displacement shall occur before necessary resettlement measures consistent with the Environmental and Social Screening and Assessment Framework and Plans applicable to such activity have been executed, including, in the case of displacement, full payment to Displaced Persons of compensation and of other assistance required for relocation, prior to displacement.

(c) The Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated or waived the any of the Safeguard Instruments, unless the World Bank has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

(d) Without limitation on its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Safeguard Instruments, giving details of:

(i) measures taken in furtherance of the said instruments;

(ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said instruments; and

(iii) remedial measures taken or required to be taken to address such conditions.

(e) In the event of any conflict between the provisions of any of the Safeguard Instruments, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2.05. Project Monitoring, Reporting and Evaluation.

(a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of six (6) months, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The Recipient, through its Ministry of Finance, shall, by June 30, 2016, or such other date as the World Bank and the Recipient shall agree upon: (i) carry out jointly with the World Bank and the LTA, a mid-term review of the implementation of operations under the Project, which shall cover the progress
achieved in the implementation of the Project; and (ii) following such mid-term review, act promptly and diligently to take any corrective action as shall be agreed by the World Bank.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.06. 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 quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements 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 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.

2.07. Procurement.

(a) General. All goods, works, non-consulting services, 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 (revised July 2014) (“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, Works and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts which are specified in the Procurement Plan: (A) National Competitive Bidding, subject to the additional provisions set forth in the Appendix to this Agreement; (B) Shopping; and (C) Direct Contracting.

(d) Particular Methods of Procurement of Consultants’ Services

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

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants’ Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) 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 100% of Eligible Expenditures consisting of goods, civil works, non-consulting services, consultants’ services, Training and Workshops, and Incremental Operating Costs for the Project, inclusive of Taxes. For the purposes of this section: (i) “Training and Workshops” means the cost of training financed under the Project, based on an annual budget for such costs approved ex-ante in writing by the Association, and attributable to seminars, workshops, and study tours, along with the cost of travel and subsistence for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation; and (ii) “Incremental Operating Costs” means reasonable expenditures directly related to the Project, incurred by the Recipient (which expenditures would not have been incurred absent the Project), based on an annual budget for such costs approved ex-ante in writing by the Association, including expenditures for office rentals, office consumables, communications, vehicles operating and repair costs, in-country travels costs, lodging and per diems for Project staff, salaries of contractual staff (other than consultants), translation and printing of key documents, advertising expenses and banking charges, but excluding salaries, bonuses, fees and honoraria of members of the Recipient’s civil service.

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 April 30, 2019.

Article IV
Additional Remedies

4.01. Additional Event of Suspension. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following, namely that LTA’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the LTA to perform any of its obligations under the Project Implementation Agreement.

Article V
Recipient’s Representative; Addresses

5.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.
5.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
Private Bag
Apia, Independent State of Samoa

Cable: FINSEC  Facsimile: 685-21312
Apia  685-24779

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

Cable: INTBAFRAD  Telex: 248423 (MCI) or 1-202-477-6391
Telex: INDEVAS  Facsimile: 64145 (MCI)
Washington, D.C.
APPENDIX
Additional Procedures for National Competitive Bidding

The procurement procedure to be followed for National Competitive Bidding shall be the Open Competitive Bidding procedure (public tendering) set forth in the Guidelines for Government Procurement and Contracting: Goods and Works (GWG), dated June 2008, provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011, revised July 2014) (the “Procurement Guidelines”) and the following additional provisions:

Eligibility

1. Eligibility to participate in a procurement process for and to be awarded a World Bank financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the World Bank for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. No domestic preference shall be granted in bid evaluation on the basis of bidder's nationality, origin of goods or services, and/or preferential programs.

Advertising; time for bid preparation

2. Invitations to bid shall be advertised in at least one newspaper of national circulation or the official gazette, or on a widely used website or electronic portal with free national and international access. Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids.

Standard bidding documents

3. Bidding documents acceptable to the World Bank shall be used, and shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines.

Registration of contractors

4. Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid, and a foreign bidder recommended for contract award shall be given a reasonable opportunity to register, with the reasonable cooperation of the Recipient, prior to contract signing.

Bid Submission, Bid Opening and Bid Evaluation

5. Bidders may submit bids, at their option, either in person or by courier service or by mail. All bidding for goods and works shall be carried out through a one-envelope
procedure. Bids shall be opened in public, immediately after the deadline for submission of bids. Evaluation of bids shall be made in strict adherence to the evaluation criteria specified in the bidding documents. Evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation. A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

6. Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a “pass or fail” basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder’s or prospective bidder’s capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (i) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (ii) financial position; and where relevant (iii) capability of construction and/or manufacturing facilities.

7. In the procurement of goods and works where pre-qualification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post qualification, applying the qualification criteria stated in the bidding documents.

8. No bids shall be rejected on the basis of comparison with the cost estimates without the World Bank’s prior written concurrence.

Rejection of All Bids and Re-bidding

9. All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the World Bank’s prior written concurrence.

Currency of bid and currency of payment

10. The bidder may express the bid in the currency set forth in the bidding documents. The payment of the contract price shall be made in the currency or currencies of bid.

Fraud and Corruption

11. The bidding document and contract as deemed acceptable by the World Bank shall include provisions stating the World Bank’s policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.
**Inspection and Audit Rights**

12. In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the World Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank. Acts intended to materially impede the exercise of the World Bank’s inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Guidelines.

**Contract Modifications**

13. With respect to contracts subject to the World Bank’s prior review, the Recipient shall obtain the World Bank’s no objection before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; or (d) the proposed termination of the contract. A copy of all contract amendments shall be provided to the World Bank.