March 6, 2012

Honourable Faumuina Liuga
Minister of Finance
Ministry of Finance
Private Bag
Apia
INDEPENDENT STATE OF SAMOA

Re: Letter of Amendment to the Financing Agreement
(Additional Financing Agreement for the Second Infrastructure Asset Management Project)
(Grant Number H311-WSO and Credit Number 3848-1-WSO),

Excellency:

We refer to the Additional Financing Agreement (the "Agreement") for the Second Infrastructure Asset Management Project dated August 13, 2007, between the Independent State of Samoa and the International Development Association (the "Association"), as amended to date.

We are pleased to inform you that, further to your request and discussions between our staff, the Association hereby agrees to amend the Agreement as set out in the Annex to this Letter of Amendment (the Amendment).

Except as specifically amended herein, all other terms and provision of the Agreement 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 Letter of Amendment, and returning it to the World Bank.

This Letter of Amendment shall become effective after your countersignature, on the date upon which the World Bank dispatches to the Recipient a notice of its acceptance of the evidence that the following conditions have been satisfied:

The PRIF Grant Agreement, the Project Agreement and the Subsidiary Agreement (as these terms are defined in the Annex to this Letter of Amendment) have been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to
make withdrawals under the PRIF Grant Agreement (other than the effectiveness of this Letter of Amendment) have been fulfilled.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Ferid Belhaj
Country Director
Timor-Leste, Papua New Guinea and Pacific Islands Operations

AGREED:
INDEPENDENT STATE OF SAMOA

By
Authorized Representative
Name: Funkuna Tiatia Liuga
Title: Minister of Finance
Date: 13 March 2012
1. **Amendments to Articles III and IV**

1.1 Paragraph 3.01 is modified to read as follows:

"3.01 The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall, in accordance with the provisions of Article IV of the General Conditions: (i) cause the Samoa Airport Authority to carry out Part A of the Project; (ii) cause the Land Transport Authority (the Project Implementing Entity) to carry out its Respective Parts of the Project (Parts B and D) also in accordance with the Project Agreement; and (iii) carry out Parts C and E of the Project through its Ministry of Natural Resources and Environment, and its Ministry of Finance, respectively; all with due diligence and efficiency."

1.2 A new paragraph 4.03 is added to read as follows:

"4.03. The Additional Legal Matters consist of the following:

(a) the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms; and

(b) the Co-financing Agreement has been duly authorized or ratified by the Recipient and is legally binding upon the Recipient in accordance with its terms."

2. **Amendments to Schedule 2**

2.1 A new subparagraph (d) is added to Section I A 1 to read as follows:

"(d) references to the “Ministry of Works, Transport and Infrastructure” should be deleted and replaced by the “Land Transport Authority” but in paragraph 16 of Schedule 4 to the Original Development Credit Agreement.

(e) references to the Operational Manual should be deleted in paragraph (s) of Section 1.02, paragraph (g) of Section 5.01 and paragraph (b) of Section 5.02 of the Original Development Credit Agreement as well as in Paragraph 10 of Schedule 4 to said Original Development Credit Agreement"

2.2 A new paragraph C is added to Section I to read as follows:

**“C. Subsidiary Agreement”**

1. To facilitate the carrying out of Parts B and D of the Project, the Recipient shall make available on a grant basis, parts of the proceeds of the Credit and parts of the proceeds of
the Co-financing to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient, the Association and the Co-financer and to accomplish the purposes of the Credit and the Co-financing. 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."

2.3 Subparagraph B 3 of Section IV is amended to read as follows:

"3. The Closing Date is June 30, 2013"

3. Amendments to the Appendix

The section on Definitions in the Appendix to the Additional Financing Agreement is amended by adding the following paragraphs and by re-numbering the provisions of said section accordingly:

"4. ‘Co-financier’ means the Pacific Region Infrastructure Facility Multi Donor Trust Fund administered by the Bank and the Association, and referred to in paragraph 15 of the Appendix to the General Conditions.

5. ‘Co-financing’ means an amount of three million eight hundred thirty thousand United States Dollars (US$ 3,830,000) to be provided by the Co-financier to assist in financing Parts A.1 and A.2 of the Project.

10. ‘Letter of Amendment to the Financing Agreement’ means this letter of amendment, amending the Additional Financing Agreement for the Second Infrastructure Asset Management Project (Grant Number H311-WSO and Credit Number 3848-1-WSO).

11. ‘Land Transport Authority’ or “Project Implementing Entity” means the Recipient’s Land Transport Authority as established and operating under the Recipient’s Land Transport Authority Act 2007, as amended, in charge of implementing Parts B and D of the Project.

12. ‘PRIF Grant Agreement’ or ‘Co-financing Agreement’ means the PRIF Multi-Donor Trust Fund Co-financing for the Second Infrastructure Asset Management Project (Grant No. TF010585) dated 02/08/12.”

17. ‘Project Agreement’ means the agreement between the Association and the Project Implementing Entity dated 03/10/12.

18. ‘Respective Parts of the Project’ means Parts B and D of the Project to be implemented by the Project Implementing Entity.

19. ‘Subsidiary Agreement’ means the agreement to be signed between the Recipient and the Project Implementing Entity.”