Honorable Minister Faumuina Tiatia Faaolatane Liuga
Minister of Finance
Ministry of Finance
6th Floor Central Bank Building
Beach Road
Apia
SAMOA

Honorable Minister:

Re: Samoa: Preparation Grant for the Enhancing the Climate Resilience of Coastal Resources and Communities Project – PPCR Grant No. TF099649

In response to the request for financial assistance made on behalf of the Independent State of Samoa (the “Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as an Implementing Agency of the Pilot Program for Climate Resilience (“PPCR”) under the Strategic Climate Fund (“SCF”), proposes to extend to the Recipient a grant in an amount not to exceed four hundred thousand United States Dollars (U.S.$400,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds 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.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By/s Charles Feinstein

Charles Feinstein

Acting Country Director
Papua New Guinea, Timor-Leste and Pacific Islands
East Asia and Pacific Region
AGREED
INDEPENDENT STATE OF SAMOA

By/s Tupa’matuna Iulai Lavea

Name: Tupa’matuna Iulai Lavea
Title: CEO
Date: October 31, 2011

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 ("Standard Conditions").

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 or in this Agreement.

Article II
Project Execution

2.01. **Project Objectives and Description.** The Grant is made to support the preparation of the Enhancing the Climate Resilience of Coastal Resources and Communities project, the objective of which is to reduce vulnerability to and enhance the capacity of natural systems and coastal communities to recover from impacts (chronic and acute) associated with Climate Change.

The activities ("Activities") for which the Grant is given shall consist of such activities as may be required for the preparation of the Project and as shall have been approved by the World Bank from time to time, including technical assistance aimed at:

(i) increasing the relevance and effectiveness of District Coastal Infrastructure Management plans in response to Climate Change;
(ii) determining the right mix of infrastructure (grey versus green) approaches to decreasing vulnerability and physical exposure of communities to climate related impacts;
(iii) analyses of capacity building needs of civil society organizations (including the Private Sector) to raise public awareness about climate change adaptation and to participate in the design and delivery of climate change adaptation measures aimed at increasing the resilience of communities and ecosystems;
(iv) a study focusing on understanding the gender differentiated aspects of climate change will help to minimize gender bias in the design and delivery of measures to reduce community vulnerability to climate change and inequality in accessing adaptation benefits supported by the Project;
(v) social and environment assessments to address Safeguards issues, financial and economic analysis and preparation of a project document.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall implement the Activities through its Ministry of Finance 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"); and (c) this Article II.

2.03. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the SCF’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the SCF donors to visit any part of the Recipient’s territory for purposes related to the Project.
(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.

2.04. **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 semester, covering the semester, 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. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.05. **Procurement**

(a) **General.** All goods, 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:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods and non-consulting services;

(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 (“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 and Non-consulting Services**

Goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping.

(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 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 based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) 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) 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, Consultant’s services, and Incremental Operating Cost, inclusive of Taxes.

For the purpose of this Section 3.01, the term “Incremental Operating Costs” means the operating costs incurred on account of the implementation of the Project including office supplies and consumables, utilities, communications, dissemination/mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, and travel, lodging and per diems, but excluding salaries of officials 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 December 31, 2012.

Article IV
Recipient’s Representative; Addresses

4.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

4.02. Recipient’s Address. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
6th Floor Central Bank Building
Beach Road
Apia
SAMOA

Facsimile:
Fax: +685 21 312

4.03. 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
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
      Telex: 248423 (MCI) or 64145 (MCI)
      Facsimile: 1-202-477-6391