



PACIFIC LIAISON AND COORDINATION OFFICE

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31/3/2017

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21 February 2017

Mr. Tony Amos Sewen
Acting Director General
Ministry of Finance and Economic Management
PMB 9031, Port Vila
Vanuatu

Dear Mr. Sewen:

Subject: **Loan Nos. 3331-VAN and 3332-VAN, and Grant Nos. 0459-VAN, 0460-VAN and 0461-VAN: Cyclone Pam Road Reconstruction Project — Amendment to Financing Agreement and Grant Agreement**

1. We refer to the Financing Agreement (Special Operations) and Grant Agreement (Global Environment Facility) both dated 1 March 2016 between Republic of Vanuatu ("Beneficiary") and Asian Development Bank ("ADB") for the captioned project ("Financing Agreement" and "Grant Agreement", respectively). All capitalized terms used but not defined herein shall have the meaning given thereto in the Financing Agreement and/or the Grant Agreement, unless the context requires otherwise.

2. Following a request from the Beneficiary dated 29 December 2016, ADB approved, on 2 February 2017, changes in the Project including changes in the financing percentages under the Financing Agreement and Grant Agreement. To give effect to the changes in financing percentages, ADB proposes that the Financing Agreement and Grant Agreement be amended as follows:

(a) Financing Agreement: The Tables in Attachments 1 to 4 to Schedule 4 of the Financing Agreement shall be deleted and replaced by the Tables in Attachments 1 to 4 of this letter agreement, respectively.

(b) Grant Agreement: The Table in the Attachment to Schedule 1 of the Grant Agreement shall be deleted and replaced by the Table in Attachment 5 to this letter agreement.

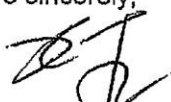
3. Save and except to the extent set out above and in the attachments hereto, the Financing Agreement and Grant Agreement remain unchanged.

4. Pursuant to ADB's Public Communications Policy ("PCP") on disclosure and exchange of information, the amendments to the Financing Agreement and Grant Agreement will be posted on ADB's website within 2 weeks from the date that the amendments become effective, after removing any information that falls within the PCP exceptions as specified by the Beneficiary.

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5. Please indicate the Beneficiary's concurrence to the amendments set out in paragraph 2 of this letter agreement and the attachments hereto and to the terms of this letter agreement by countersigning each of the two originals of this letter agreement in the space indicated below. Please retain one signed original of this letter agreement for your records and return the other to ADB. The proposed amendments shall take effect on the date of receipt by ADB of a signed original of this letter agreement.

Yours sincerely,



Xiaoqin Fan
Regional Director

A. Accepted and agreed.

B. Confirmed that the amendments to the Financing Agreement and Grant Agreement do not contain information falling within the PCP exceptions.

For and on behalf of
Republic of Vanuatu

Name: DOROTHY ERICSON

Designation: ACTING DG

Date: 02/03/2017



cc: Mr. Sam Namuri, Acting Director General, MIPU
Mr. Ambatha Paraliu, Acting Director, PWD
Mr. Junior Shim George, PWD

TABLE 1

ALLOCATION AND WITHDRAWAL OF SPECIAL FUNDS RESOURCES LOAN PROCEEDS (Cyclone Pam Road Reconstruction Project)			
Number	Item	Total Amount Allocated for ADB Financing (SDR) Category	Basis for Withdrawal from the Loan Account
1	Works	661,452	7.72 percent of total expenditure claimed*
2	Interest Charge	10,440	
3	Contingency	36,108	
	TOTAL	708,000	

* Exclusive of taxes and duties imposed within the territory of the Beneficiary.

TABLE 2

ALLOCATION AND WITHDRAWAL OF SPECIAL FUNDS RESOURCES (DISASTER RESPONSE FACILITY) LOAN PROCEEDS (Cyclone Pam Road Reconstruction Project)			
Number	Item	Total Amount Allocated for ADB Financing (SDR) Category	Basis for Withdrawal from the Loan Account
1	Works	1,854,381	21.64 percent of total expenditure claimed*
2	Interest Charge	30,372	
3	Contingency	101,247	
	TOTAL	1,986,000	

* Exclusive of taxes and duties imposed within the territory of the Beneficiary.

TABLE 3

ALLOCATION AND WITHDRAWAL OF SPECIAL FUNDS RESOURCES GRANT PROCEEDS (Cyclone Pam Road Reconstruction Project)			
Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Grant Account
1	Works	3,062,000	25.31 percent of total expenditure claimed*
2	Consulting Services	3,938,000	100 percent of total expenditure claimed*
	TOTAL	7,000,000	

* Exclusive of taxes and duties imposed within the territory of the Beneficiary.

TABLE 4

ALLOCATION AND WITHDRAWAL OF SPECIAL FUNDS RESOURCES (DISASTER RESPONSE FACILITY) GRANT PROCEEDS (Cyclone Pam Road Reconstruction Project)			
Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Grant Account
1	Works	2,805,000	23.18 percent of total expenditure claimed*
	TOTAL	2,805,000	

* Exclusive of taxes and duties imposed within the territory of the Beneficiary.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Cyclone Pam Road Reconstruction Project)			
Number	Item	Total Amount Allocated for GEF Financing (\$) Category	Basis for Withdrawal from the Grant Account
1	Works	2,680,000	22.15 percent of total expenditure claimed*
	TOTAL	2,680,000	

* Exclusive of taxes and duties imposed within the territory of the Recipient