



PACIFIC SUBREGIONAL OFFICE

14 February, 2017

Hon. 'Aisake Valu Eke  
Minister for Finance and National Planning  
Ministry of Finance and National Planning  
PO Box 87 Nuku'alofa Kingdom of Tonga

Dear Minister Eke,

Subject: **Grant No. 0256-TON: Tonga-Fiji Submarine Cable Project –  
Amendment to Grant Agreement**

1. We refer to the Grant Agreement dated 9 September 2011 between Kingdom of Tonga ("Recipient") and Asian Development Bank ("ADB") for the captioned Project. All capitalized terms used but not defined herein shall have the meaning given thereto in the Grant Agreement, unless the context requires otherwise.

2. Following a request from Recipient, on 28 December 2016 ADB approved the use of uncommitted Grant proceeds for a domestic cable extension. In addition, the approval was given for the minor change in implementation arrangements to allow the use of direct contracting procedures for the domestic cable. To give effect to these changes, ADB proposes to amend the Grant Agreement as follows:

(a) Section 3.01 shall be amended and restated as follows:

"The Recipient shall make the proceeds of the Grant, together with other funds required for the Project, available to TCL under a share purchase agreement by and among Tonga Communications Corporation Limited, the Government of Tonga and Tonga Cable Limited, and a share purchase agreement by and between Government of Tonga and Digicel (Tonga) Limited, both upon terms and conditions satisfactory to ADB (collectively, 'Share Purchase Agreement')."

(b) the Project description in paragraph 2 of Schedule 1 shall be deleted and replaced by the following:

"The Project comprises (i) the establishment and operation of a submarine cable system linking the Recipient to the Southern Cross Cable Network by means of an approximately 827 kilometer repeatered submarine cable connecting TCL's landing station in the territory of the Recipient (Nuku'alofa) with FINTEL's landing station in the Republic of Fiji (Suva); (ii) construction of the landing

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station at Sopo, Nuku'alofa; (iii) project management and implementation support; (iv) the establishment and operation of a 435 kilometer domestic repeaterless submarine cable linking Vava'u and Ha'apai to Nuku'alofa; and (v) construction of landing stations in Vava'u and Ha'apai."

(c) The procurement method in paragraph 3 of Schedule 3 shall be amended and restated as follows:

"Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the methods of procurement set forth below:

- (a) International Competitive Bidding; and
- (b) Single Source Selection for domestic cable.


The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Beneficiary may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan."

3. Save and except to the extent set out above, the Grant Agreement remains unchanged.

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

5. Please indicate the Recipient's concurrence to the amendment set out in paragraph 2 of this letter agreement 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 amendment shall take effect on the date of receipt by ADB of a signed original of this letter agreement.

Yours sincerely,



Robert Jauncey  
Regional Director

cc: P. Fa'otusia, Chief Executive Officer, Ministry of Finance and National Planning  
P. Mau, Chief Executive Officer Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications  
S. Akau'ola, Chief Executive Officer, Ministry of Public Enterprises  
R. Buluori, Chief Executive Officer, Tonga Cable Limited  
T. Moeaki, Senior Country Coordination Officer, ADB Extended Mission and Tonga Country Team Leader, ADB Tonga  
T. Morita, Counsel, OGC



A. Accepted and agreed.

B. Confirmed that the amendment to the Grant Agreement does not contain information falling within the PCP exceptions.

For and on behalf of Kingdom of Tonga

Signature:



Name:

'AISAKE VALU EKE

Designation:

MINISTER FOR FINANCE AND NATIONAL PLANNING

Date:

15 FEBRUARY 2017.