

13 February 2017

Hon. Elbuchel Sadang
Minister
Ministry of Finance
PO Box 6011, Koror
Republic of Palau

Dear Minister Sadang:

Subject: Loan 3347-Pal (SF): North Pacific Regional Connectivity Investment Project — Amendment to the Loan Agreement (Special Operations)

This refers to the Loan Agreement (Special Operations) between The Republic of Palau (the Borrower) and the Asian Development Bank (ADB), for the North Pacific Regional Connectivity Investment Project (Project), duly signed on 07 March 2016 (hereinafter referred to as the Loan Agreement).

The Borrower has informed ADB that the Borrower and BSCC have now agreed to a new landing site owned by the Ngeremlengui State Public Land Authority instead of PNCC, and that the lease agreement between BSCC and Ngeremlengui State Public Land Authority has now been signed. For this reason the Borrower has requested ADB to remove the condition set in paragraph 8 of Schedule 3 to the Loan Agreement.

Upon the request of the Borrower, the Loan Agreement is hereby amended as follows:

Amendment to Schedule 3:

Paragraphs 8 is hereby deleted in its entirety.

If this is acceptable to you, kindly have both copies of this letter countersigned in the space indicated below. Please retain one copy for your record and return one original copy to ADB.

Yours sincerely,



Emma Veve
Director
Urban, Social Development and
Public Management Division
Pacific Department

Confirmed:
Republic of Palau


Hon. Elbuchel Sadang
Minister of Finance

Date 2/13/17