



Asian Development Bank

PACIFIC DEPARTMENT

7 December 2018

Honorable Charles Abel, MP
Treasurer
Department of Treasury
Waigani Drive, P.O. Box 542
Waigani 131, National Capital District
Papua New Guinea

Dear Hon. Charles Abel:

**Subject: Grant No. 0447- PNG (EF): Building Resilience to Climate Change in
Papua New Guinea
-Amendments to the Grant Agreement**

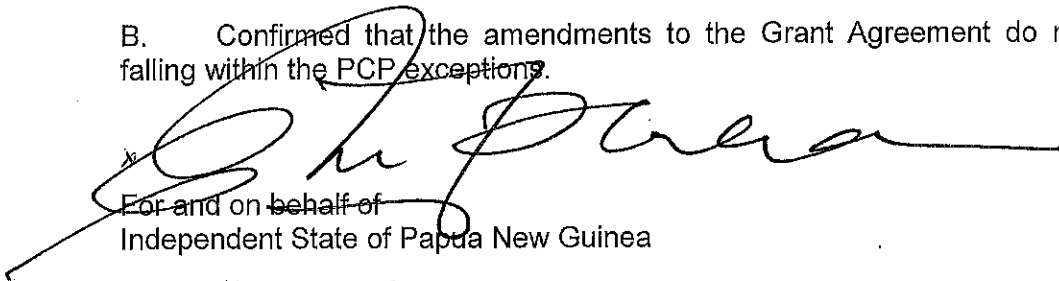
1. We refer to the Grant Agreement (Externally Financed) ("Grant Agreement") dated 15 January 2016 between Independent State of Papua New Guinea ("Recipient") and Asian Development Bank ("ADB") for the Building Resilience to Climate Change in Papua New Guinea ("Project"). All capitalized terms used but not defined herein shall have the meaning given thereto in the Grant Agreement, unless the context requires otherwise.
2. Following a request from the Recipient dated 24 September 2018, ADB approved, on 14 November 2018, changes in the Project concerning: (a) islands of the Project; (b) disbursement percentages and reallocation of funds; and (c) agency names, among others. To give effect to the changes, ADB proposes that the Grant Agreement be amended as set out in the attachment hereto.
3. Save and except to the extent set out in the attachment hereto, the Grant Agreement remains unchanged.
4. Pursuant to ADB's Public Communications Policy on disclosure and exchange of information, the amendments to the 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 Recipient.
5. Please indicate the Recipient's concurrence to the amendments set out in the attachment 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,

David Hill
Country Director

A. Accepted and agreed.

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


For and on behalf of
Independent State of Papua New Guinea

Name: HON. CHARLES ABEL

Designation: DEPUTY PM & TREASURER

Date: 04th MARCH 2019

cc: Hon. John Pundari, MP, Environment Conservation and Climate Change
Secretary, Department of National Planning and Management
Mr. Ruel Yamuna, Managing Director, Climate Change and Development Authority

**Grant No. 0447- PNG (EF): Building Resilience to Climate Change in Papua New Guinea
- Amendments to the Grant Agreement**

1. Section 1.02 (b) is hereby deleted and replaced with the following: "CFDA" means the Recipient's Coastal and Fisheries Development Agency or any successor thereto;
2. In Section 1.02 (i), "Teop" is hereby deleted and replaced by "Tinputz".
3. In Section 1.02 (o), (iv) "Kiriwina" is hereby deleted and replaced by "Simsimla".
4. In Section 1.02 (o), (v) "Munuwata" is hereby deleted and replaced by "Kitava".
5. Section 1.02 (q) is hereby deleted and replaced with the following: "PNGPCL" means the PNG Ports Corporation Limited or any successor thereto;
6. In Schedule 1, para. 2 (c), "PPCL" and "CIFDA" are hereby deleted and replaced by "PNGPCL" and "CFDA", respectively.
7. Attachment to Schedule 2 is hereby deleted and replaced by the following:

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS				
(Building Resilience to Climate Change in Papua New Guinea)				
Number	Item	Total Amount Allocated for Strategic Climate Fund Financing (\$)		Basis for Withdrawal from the Grant Account
		Category	Subcategory	
1	Civil Works**	1,844,169		
1A	Civil Works		1,814,169	100% of total expenditure
1B	Civil Works – Office Renovation		30,000	100% of total expenditure*
2	Equipment	1,244,700		
2A	Specialized Equipment**		1,204,200	100% of total expenditure
2B	Office Equipment**		5,115	100% of total expenditure*

2C	Office Equipment**		35,385	100% of total expenditure
3	Vehicles**	250,000		
3A	Vehicles – PMU		32,185	100% of total expenditure*
3B	Vehicles and Boat Hire		217,815	100% of total expenditure
4	Consulting Services	8,924,431		
4A	International Specialists**		3,294,000	100% of total expenditure
4B	National Specialists**		1,556,500	100% of total expenditure*
4C	Consultant Support Costs**		1,959,400	100% of total expenditure
4D	NGOs Facilitation Contracts**		1,860,687	100% of total expenditure
4E	Consultant ADB – Start-up Specialist		253,844	100% of total expenditure
5	Capacity Building	2,340,000		
5A	Communities**		1,560,000	100% of total expenditure
5B	Agency Personnel**		297,000	100% of total expenditure
5C	Local government and NGOs**		483,000	100% of total expenditure
6	Operating Costs	2,457,900		
6A	Vehicle Operating Costs**		480,000	100% of total expenditure
6B	Office Operating Costs**		350,000	100% of total expenditure
6C	Personnel**		1,627,900	100% of total expenditure*
7	Small Grants Facility**	5,000,000		100% of total expenditure
8	Unallocated	2,188,800		
	Total	24,250,000		

* Exclusive of taxes and duties imposed within the territories of the Recipient.

** Subject to the condition for withdrawal described in paragraph 6 of Schedule 2.