



2 October 2019

Honorable Ian Ling-Stuckey, CMG, MP
Governor for Papua New Guinea in the Asian Development Bank
Minister for Treasury
The Treasury Building, Waigani Drive
P.O. Box 542
WAIGANI 131, National Capital District
Papua New Guinea

Dear Honorable Minister,

Subject: **Grant No. 0447- PNG(EF): Building Resilience to Climate Change in Papua New Guinea - Amendment 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 19 August 2019, ADB on (i) 11 September 2019 approved changes to the implementation arrangements for the Project; and (ii) 19 September approved changes to the allocation of Grant proceeds for the Project. To give effect to this, 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 Access to Information Policy (2018) ("AIP"), 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 AIP exceptions as specified by the Recipient.
5. Please indicate the Recipient's concurrence to the amendment set out in the attachment hereto and to the terms of this letter agreement by countersigning each of the two original 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,

David Hill
Country Director

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PNG Resident Mission
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A. Accepted and agreed.

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

For and on behalf of
PAPUA NEW GUINEA

Name: _____

Designation: _____

Date: _____

cc: Mr. Dairi Vele, Secretary Department of Treasury
Mr. Konny Samuel, Secretary, Department of National Planning & Monitoring
Mr. Ruel Yamuna, Managing Director CCDA



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

1. The following is hereby inserted as paragraph 7 of Schedule 2 of the Grant Agreement:

“Notwithstanding any other provision of this Grant Agreement, no withdrawals shall be made from the Grant Account for Category Number 8 (Community Facilitation Service) until the financing agreement between CCDA and United Nations Development Program (“UNDP”), in form and substance satisfactory to ADB, shall have been duly executed and delivered on behalf of CCDA and UNDP and shall have become legally binding upon CCDA and UNDP in accordance with its terms.

2. The Attachment to Schedule 2 of the Grant Agreement is hereby deleted and substituted with 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 claimed
1B	Civil Works – Office Renovation		30,000	100% of total expenditure claimed*
2	Equipment	1,244,700		
2A	Specialized Equipment**		1,204,200	100% of total expenditure claimed
2B	Office Equipment**		5,115	100% of total expenditure claimed*
2C	Office Equipment**		35,385	100% of total expenditure claimed

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3	Vehicles**	250,000		
3A	Vehicles – PMU		32,184	100% of total expenditure claimed*
3B	Vehicles and Boat Hire		217,816	100% of total expenditure claimed
4	Consulting Services	7,063,745		
4A	International Specialists**		3,294,000	100% of total expenditure claimed
4B	National Specialists**		1,556,500	100% of total expenditure claimed*
4C	Consultant Support Costs**		1,959,400	100% of total expenditure claimed
4D	Consultant ADB – Start-up Specialist		253,845	100% of total expenditure claimed
5	Capacity Building	1,200,686		
5A	Communities**		420,686	100% of total expenditure claimed
5B	Agency Personnel**		297,000	100% of total expenditure claimed
5C	Local government and NGOs**		483,000	100% of total expenditure claimed
6	Operating Costs	2,457,900		
6A	Vehicle Operating Costs**		480,000	100% of total expenditure claimed
6B	Office Operating Costs**		350,000	100% of total expenditure claimed
6C	Personnel**		1,627,900	100% of total expenditure claimed*
7	Small Grants Facility**	5,000,000		100% of total expenditure claimed
8	Community Facilitation Service***	3,000,000		100% of total expenditure claimed*
9	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.

***Subject to the condition for withdrawal described in paragraph 7 of Schedule 2.