

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4831-WS

Financing Agreement

(Samoa Post Tsunami Reconstruction Project)

between

INDEPENDENT STATE OF SAMOA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 14, 2010

Public Disclosure Authorized



CREDIT NUMBER 4831-WS

FINANCING AGREEMENT

AGREEMENT dated December 14, 2010, entered into between INDEPENDENT STATE OF SAMOA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to six million six hundred and thirty thousand Special Drawing Rights (SDR 6,630,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are January 15 and July 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project Implementing Entity to carry out its Respective Parts of the Project in accordance with the provisions of Article IV of the General Conditions and the Project Agreement, and shall carry out Parts B and E of the Project through its Ministry of Natural Resources and Environment, and its Ministry of Finance, respectively.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) the Subsidiary Agreement has been executed on behalf of the Recipient, through the Ministry of Finance, and the Project Implementing Entity; and
 - (b) the Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. The Additional Legal Matters consist of the following:
 - (a) the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms; and

(b) the Co-financing Agreement has been duly authorized or ratified by the Recipient and is legally binding upon the Recipient in accordance with its terms.

5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of Finance.

6.02. The Recipient’s Address is:

Ministry of Finance
Private Bag
Apia, Independent State of Samoa

Cable address:	Facsimile:
FINSEC	685-21312
Apia	685-24779

6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Facsimile:
INDEVAS	1-202-477-6391
Washington, D.C.	

AGREED at District of Columbia, United States of America, as of the day and year first above written.

INDEPENDENT STATE OF SAMOA

By /s/ Ali'ioaiga Feturi Elisaia

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ James Adams

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in its efforts to assist in the relocation and rehabilitation of communities living in the island of Upolu affected by the tsunami of September 29, 2009, through the provision of improved infrastructure access to relocation sites, enhanced transport infrastructure, and assistance to local communities to address future natural disasters.

The Project consists of the following parts:

Part A. Infrastructure Works

1. Construction of about twelve (12) kilometers long inland roads along the south coast between Lepa and Lalomanu in Upolu Island, including construction of gravel sub-base, base course and a six (6) meters wide bitumen surface, with longitudinal and cross drainage.
2. Upgrading of various existing inland access tracks along the east and south coast roads in Upolu Island, including in each case the construction of about two (2) kilometers long of bitumen surfaced secondary roads.
3. Repair and reconstruction of existing sea walls along the east and south coast roads in Upolu Island.
4. Repair of the Salani Bailey Bridge, including its abutments.
5. Provision of technical assistance for designing storm-water drainage system for all the roads included under Part B of the Project, including locations, hydraulic capacity, and inlet and outlet details of required culverts.

Part B. Community Risk Management Plans

Provision of high resolution imagery of the affected areas, as well as relocation sites in Upolu Island, including updating the Coastal Infrastructure Management Plans for these areas to assist with infrastructure planning and monitoring, and disaster risk reduction.

Part C. East Coast Inland Route (Samusu-Lalomanu)

Construction of a new inland main road between Samusu and Lalomanu in Upolu Island, including: (a) a comprehensive environmental impact assessment; (b) resettlement and rehabilitation of Displaced Persons; and (c) provision of technical assistance for a route alignment study, detailed design and construction supervision therefor.

Part D. Pedestrian Access Routes

Construction of new pedestrian routes at regular intervals to facilitate access to resettled families between their new homes located inland in the high escarpment and the south coastal plain between Lepa and Matautu in Upolu Island, as well as to serve as evacuation routes in the event of a tsunami or cyclone, including the provision of technical assistance for feasibility, design and construction supervision therefor.

Part E. Project Management

Strengthening the capacity of the Project Management Unit for the day-to-day implementation of the Project, including compliance with financial, environmental and procurement management, reporting requirements and monitoring and supervision activities, as well as strengthening the capacity of the Project Implementing Entity and the Ministry of Natural Resources and Environment for Project monitoring, evaluation and administration, and the provision of technical assistance therefor.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Project Management

1. The Recipient shall maintain, until completion of the Project, the Program Steering Committee with additional representatives of the Project Implementing Entity, the Samoa Water Authority and the Samoa Electric Power Corporation, and assigned with such additional funds, responsibilities and resources as shall be required to enable it to provide overall guidance in the carrying out of the Project, review the progress of Project implementation, assist in achieving the Project objective and complying with the terms and conditions of this Agreement and the Project Agreement.
2. The Recipient shall retain, in accordance with the provisions of Section III of this Schedule 2 of this Agreement, and thereafter maintain, until completion of the Project, the Project Management Unit, headed by a Project manager, and provided with sufficient resources and such powers, responsibilities, organization and funding as shall be required to enable it to carry out the day-to-day management, monitoring and coordination of procurement, accounting, disbursement, financial management and other Project-related activities, including reporting to the Program Steering Committee, and staffed with competent personnel in adequate numbers, including a Project accountant/financial management specialist and an administrative/information dissemination assistant, all under terms of reference acceptable to the Association.
3. The Recipient shall:
 - (a) cause the Project Implementing Entity to retain and, thereafter, maintain, until completion of the Project, a Project component manager for purposes of managing, monitoring and coordinating procurement, accounting, disbursement, financial management and other activities related to the carrying out of its Respective Parts of the Project, with qualifications and experience and terms of reference satisfactory to the Association; and
 - (b) retain and, thereafter, maintain, until completion of the Project, a Project component manager within the Ministry of Natural Resources and Environment, for purposes of managing, monitoring and coordinating procurement, accounting, disbursement, financial management and other activities related to the carrying out of Part B of the Project, with

qualifications and experience and terms of reference satisfactory to the Association.

B. Subsidiary Agreement

1. To facilitate the carrying out of Parts A, C and D, and its part of Part E, of the Project, the Recipient shall make available on a grant basis out of the proceeds of the Credit to the Project Implementing Entity an amount equivalent to ten million (\$10,000,000), under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association.
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient, the Association and the Co-financier and to accomplish the purposes of the Credit and the Co-financing. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Recipient shall or shall cause to:
 - (a) carry out the Project in accordance with the provisions of the Environmental and Social Screening and Assessment Framework and the Land Acquisition and Resettlement Framework, as the case may be; and
 - (b) not abrogate, amend, assign, repeal, suspend or waive the provisions of the Environmental and Social Screening and Assessment Framework and the Land Acquisition and Resettlement Framework, without the prior written agreement of the Association.
2. Without limitation on the provisions of paragraph 1 of Section II.A of this Schedule 2, the Recipient shall prepare and furnish to the Association as part of each Project Report the progress with respect to the implementation of the Environmental and Social Screening and Assessment Framework and the Land Acquisition and Resettlement Framework, and inform the Association of any event which interferes or which threatens to interfere with the timely implementation of either one thereof.

3. In the event of any inconsistency between the provisions of the Environmental and Social Screening and Assessment Framework or the Land Acquisition and Resettlement Framework, as the case may be, and this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in the Appendix to this Schedule 2. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.
2. For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than one (1) month after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance

with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2
(b) Direct Contracting
(c) Shopping

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality -and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality -and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Quality Based Selection
(b) Fixed Budget Selection
(c) Least Cost Selection
(d) Selection Based on Consultants' Qualifications
(e) Individual Consultants (including Single Source Selection)

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Credit in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Works under Parts A.2, A.3, and A.4 of the Project	2,480,000	100%
(2) Works under Parts C and D of the Project	2,980,000	100%
(3) Goods	70,000	100%
(4) Consultants' services	770,000	100 %
(5) Training and Operating Costs	70,000	100%
(6) Unallocated	260,000	
TOTAL AMOUNT	<u>6,630,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 2,650,000 equivalent may be made for payments made prior to this date but on or after October 30, 2009, for Eligible Expenditures under Categories (1), (2) and (3); or
 - (b) under Category (1) until the Recipient has furnished to the Association evidence satisfactory to the Association that the Recipient has taken or caused to be taken all actions necessary to ensure full compliance with all applicable environmental and social safeguards policies of the Association related to the relevant works proposed to be financed under said Category, including: (i) a written report acceptable to the Association describing the prior and informed consultations that have taken place with any Displaced Persons, such report to have been signed by the authorized representative(s) of such Displaced Persons; (ii) evidence satisfactory to the Association of payment of compensation to Displaced Persons; and (iii) copies of the environmental management plans, satisfactory to the Association, that were included in each of the relevant construction contracts; in each case consistently with the principles and guidelines set forth or referred to in the Environmental and Social Screening and Assessment Framework and the Land Acquisition and Resettlement Framework, as the case may be; or
 - (c) under Categories (1), (2) and (3) until the Recipient has furnished to the Association evidence satisfactory to the Association that: (i) the Recipient has taken actions satisfactory to the Association pursuant to paragraph 1 of Section I.A of Schedule 2 to this Agreement relating to the Program Steering Committee's membership and responsibilities in respect of the Project; (ii) the Recipient has retained the services of the Project Management Unit; (iii) the Project Implementing Entity has appointed a Project component manager in accordance with paragraph 3(a) of Section I.A of Schedule 2 to this Agreement; and (iv) the Recipient has appointed a Project component manager in accordance with paragraph 3(b) of Section I.A of Schedule 2 to this Agreement; or

- (d) under Category (4) until the Recipient has furnished to the Association evidence satisfactory to the Association that the Recipient has taken actions satisfactory to the Association pursuant to paragraph 2 of Section I.A of Schedule 2 to this Agreement relating to the Project Management Unit's responsibilities in respect of the Project.

2. The Closing Date is April 30, 2013.

APPENDIX TO SCHEDULE 2

Performance Indicators

Project Development Objective	Project Outcome Indicators	Use of Outcome Information
To assist the relocation and rehabilitation of communities affected by the tsunami, through the provision of improved infrastructure access to relocation sites; enhanced transport infrastructure, and assistance to local communities to address future natural disasters.	<ul style="list-style-type: none"> ③ Restored road access to communities affected by the September 29, 2009 tsunami ③ Improved road and pedestrian access to relocation areas ③ More resilient road network, that provides continued access to populated areas during and after natural disasters 	<ul style="list-style-type: none"> ③ To inform the GOS on the progress of rehabilitation and reconstruction efforts ③ To inform GOS planning for tsunami recovery and disaster preparedness ③ To adapt and update risk mitigation and response plans
Intermediate Outcomes One per Component	Intermediate Outcomes Indicators	Use of Intermediate Outcome Monitoring
Component 1: Upgrading of existing access tracks and seawalls		<ul style="list-style-type: none"> ③ To plan and coordinate the provision of infrastructure and services effort to relocation areas
③ Improved access to relocation areas by upgrading and sealing of existing access roads	<ul style="list-style-type: none"> ③ 20 km of existing access roads upgrade and sealed ③ 12 kms of Lepa - Lalomanu link road upgraded and sealed ③ % of relocated houses with improved transport access to social/educational/commercial opportunities 	
③ Restored protection of coastal roads and communities by repair and reconstruction of seawalls	③ 9 km of existing seawalls repaired	
③ Reinstatement of access between coastal communities	③ Salani Bailey Bridge repaired	

Component 2: Community Coastal Infrastructure Management Plans		
③ Baseline information on relocated areas	③ New structures in relocated communities geo-referenced for use in maps	③ To support planning of services for relocated communities
③ Community Infrastructure and Risk Management plans established	③ District CIM plans updated and published ③ Community consultation on risk awareness performed	③ To support infrastructure and community resilience
Component 3: East Coast Inland Route (Samusu-Lalomanu)		
③ Alternative east coast road link outside the cyclone and tsunami risk area	③ Feasible route identified and road designed ③ Samusu - Lalomanu link road constructed (around 5km) ③ compliance with EMP	③ To plan and coordinate the provision of infrastructure and services effort to relocation areas ③ To inform GOS strategy for road network development
Component 4: Dual-purpose pedestrian access improvements		
③ Improved pedestrian links to relocation areas and escape routes	③ Feasible pedestrian links identified and designed ③ Feasible access pathways constructed	③ To plan and coordinate the provision of infrastructure and services effort to relocation areas ③ To inform GOS on options for development of improved pedestrian access
Component 5: Project Management		
③ Effective implementation and supervision of Project components	③ Satisfactory Quarterly progress reports against work plan and budget delivered	③ To track Project progress and identify actions and measures to facilitate Project delivery.

<p>③ Assessment of quantitative and qualitative impact of the Project</p>	<p>③ Before-and after study of relocated communities ③ Accessibility indicators (time/distance to services, bus routes, etc) under normal conditions and under degraded network performance, such as may happen in the aftermath of a cyclone or tsunami</p>	<p>③ To monitor the effectiveness of the Project in meeting GOS and development objectives</p>
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Arrangements for result monitoring

Project Development Objective	Baseline	Target Values			Data Collection and Reporting		
		YR1	YR2	YR3	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Restored road access to communities affected by the September 29, 2009 tsunami	0	100%	100%	100%	Semi-annual	LTA	LTA
Improved road and pedestrian access to relocation areas	0%	40%	80%	100%	Semi-annual	LTA	LTA
More resilient road network, that provides continued access to populated areas during and after natural disasters	NA	100%	100%	100%	Semi-annual	LTA	LTA
Intermediate Outcome Indicators	Baseline	YR1	YR2	YR3	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Access restored for and emergency response and clean-up activities	0%	100%	100%	100%	Annual	LTA	LTA
Coastal protection repaired prior to next cyclone season	NA	100%	100%	100%	Semi-annual	LTA	LTA
20 km of existing access roads upgrade and sealed	0%	100%	100%	100%	Annual	LTA	LTA
10 km of Lepa - Lalomanu link road upgraded and sealed	NA	50%	100%	100%	Semi-annual	LTA	LTA
% of relocated houses with improved transport access to social/educational/commercial opportunities	0%	50%	80%	100%	Annual	Beneficiary survey	LTA
9 km of existing seawalls repaired	0%	50%	80%	100%	Semi-annual	LTA	LTA
Salani Bailey Bridge repaired	NA	0%	100%	100%	Annual	LTA	LTA

New structures in relocated communities geo-referenced for use in maps	NA	100%	100%	100%	Annual	MNRE	MNRE
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District CIM plans updated and published	NA	100%	100%	100%	Annual	MNRE	MNRE
Community consultation on risk awareness performed	NA	100%	100%	100%	Annual	MNRE	MNRE
Feasible route identified and road designed	NA	50%	100%	100%	Annual	LTA	LTA
Samusu - Lalomanu link road constructed (around 5 km)	NA	0%	50%	100%	Annual	LTA	LTA
100% compliance with EMP	NA	Yes	Yes	Yes	Annual	LTA	LTA
Feasible pedestrian links identified and designed	NA	0%	50%	100%	Annual	LTA	LTA
Feasible access pathways constructed	NA	0%	50%	100%		LTA	LTA
Quarterly progress reports against work plan and budget	NA	100%	100%	100%	Quarterly	LTA	LTA
Before-and after study of relocated communities	NA	50%	50%	100%	Annual	Beneficiary survey	LTA
Accessibility indicators (time/distance to services, bus routes, etc) under normal conditions and under degraded network performance, such as may happen in the aftermath of a cyclone or tsunami	NA	50%	50%	100%	Annual	Beneficiary survey	LTA

ANNEX to SCHEDULE 2**National Competitive Bidding Procedures**

The procedure to be followed for National Competitive Bidding shall be those set forth in the provisions on competitive bidding in the *Guidelines for Government Procurement by Public Tender* (February 2003) with the modifications set forth below in order to ensure economy, efficiency and transparency and broad consistency with the provisions of Section I of the Procurement Guidelines as required by paragraph 3.3 and 3.4 of the Procurement Guidelines:

Eligibility

- (i) The eligibility of bidders shall be as defined under Section I of the Association's Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign bidders shall be granted to national bidders in bid evaluation, nor shall foreign bidders be asked or required to form joint ventures with national bidders in order to submit a bid.

Registration

- (ii) Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of registering, without any let or hindrance. The registration process shall not be applicable for Subcontractors. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

Advertising; Time for Bid Preparation

- (iii) Invitations to bid shall be advertised in at least one newspaper of national circulation, allowing a minimum of thirty (30) days for the preparation and submission of bids except for commodities and small goods contract. Potential bidders shall be allowed to purchase bidding documents up to any time prior to the deadline for submission of bids.

Standard Bidding Documents

- (iv) Standard Bidding Documents, acceptable to the Association, shall be used.

Qualification Criteria

- (v) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a pass or fail basis. Such assessment shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity. The evaluation of the bidder's qualifications shall be conducted separately from the technical and commercial evaluation of the bid.

Bid Submission, Bid Opening and Bid Evaluation

- (vi) Bidders may submit bids, at their option, either in person or by courier service or by mail. Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened.
 - (a) All bidding for goods and works shall be carried out through a one envelope procedure.
 - (b) Evaluation of bids shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation.
 - (c) A contract shall be awarded to the substantially responsive bid that offers the lowest evaluated cost and no negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise modify the bid as originally submitted.
 - (d) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.
 - (e) No bidder shall be rejected on the basis of a comparison with the Recipient's estimate and budget ceiling without the Association's prior concurrence.
 - (f) A copy of the minutes of the public bid opening shall be promptly provided to all bidders, and to the Association with respect to contracts subject to prior review.

Rejection of All Bids and Re-bidding

- (vii) All bids shall not be rejected or new bids solicited without Association's prior written concurrence.

Extension of the Validity of Bids

- (viii) Extension of validity of bids may be allowed in exceptional circumstances, but there shall be no amendment of the price or any other condition of the bids. Bidders may refuse such an extension without forfeiting their bid securities, but bidders who are willing to extend validity of their bids shall be required to provide a suitable extension of their bid securities.

Complaints by Bidders and Handling of Complaints

- (ix) The Recipient shall establish and implement an effective and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.

Fraud and Corruption

- (x) The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.

Right to Inspect/Audit

- (xi) Each bidding document and contract financed from the proceeds of a Financing shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association. The deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 15 and July 15: commencing January 15, 2021 to and including July 15, 2030	1%
commencing January 15, 2031 to and including July 15, 2050	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX**Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, with the modifications set forth in Section II of this Appendix.
2. “Bank” means the International Bank for Reconstruction and Development.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Co-financier” means the Pacific Region Infrastructure Facility Multi Donor Trust Fund administered by the Bank and the Association, and referred to in paragraph 10 of the Appendix to the General Conditions.
5. “Co-financing” means an amount of one million seven hundred and ninety thousand Dollars (\$1,790,000) to be provided by the Co-financier to assist in financing Parts A.1 and A.2 of the Project.
6. “Co-financing Agreement” means the agreement of even date herewith entered into between the Recipient and the Co-financier providing for the Co-financing.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
8. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person, and “Displaced Persons” means, collectively, the plural thereof.
9. “Environmental and Social Screening and Assessment Framework” and “ESSAF” mean the framework, satisfactory to the Association, adopted by the Recipient on October 6, 2010, describing the rules, guidelines and procedures to assess environmental impacts under the Project and defining measures to reduce, mitigate or offset adverse environmental impacts and enhance positive impacts of the Project, as such framework may be amended from time to time with the prior

written agreement of the Association; and such term includes all schedules and agreements supplemental to said framework.

10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
11. “Land Acquisition and Resettlement Framework” and “LARF” mean the framework, satisfactory to the Association, adopted by the Borrower on October 6, 2010, providing procedures, rules, and guidelines for: (i) the involuntary taking of land and other assets from Displaced Persons; (ii) resettlement and rehabilitation of, and compensation to, Displaced Persons; (iii) reporting and monitoring arrangements to ensure compliance with such framework; and (iv) design criteria in accordance with which a resettlement action plan is submitted to the Association for approval, as such framework may be amended from time to time with the prior written agreement of the Association; and such term includes all schedules and agreements supplemental to said framework.
12. “Ministry of Finance” means the Recipient’s Ministry of Finance and any successor thereto.
13. “Ministry of Natural Resources and Environment” means the Recipient’s Ministry of Natural Resources and Environment and any successor thereto.
14. “Operating Costs” means reasonable and necessary incremental expenditures related to the operation of the Project Implementing Entity and the Ministry of Natural Resources and Environment, respectively, including on account of Project implementation, monitoring, evaluation, coordination and supervision, as approved by the Association based on annual budgets acceptable to the Association, which would not have been incurred but for the Project, including: (i) maintenance and operation of equipment and vehicles procured or used for the management of the Project; (ii) salaries paid to staff hired for the purposes of the Project, other than the Recipient’s civil servants’ salaries and honoraria; (iii) travel costs and per diems; (iv) consumable office supplies; (v) communication, printing and publications; (vi) bank charges; and (vii) other miscellaneous costs as may be agreed with the Association from time to time.
15. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 9, 2010, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

17. “Program Steering Committee” means the Program Steering Committee established pursuant to paragraph 1, Schedule 4 to the Development Credit Agreement entered into between the Recipient and the Association on January 20, 2004 for Credit No. 3848-WSA (Second Infrastructure Asset Management Project), as the membership and responsibilities of such Committee have been or will be modified in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.
18. “Project Implementing Entity” means the Recipient’s Land Transport Authority, established pursuant to the Land Transport Authority Act 2007, as amended to the date hereof, and any successor thereto.
19. “Project Implementing Entity’s Legislation” means the Recipient’s Land Transport Authority Act 2007 establishing and governing the Project Implementing Entity, as amended to the date of this Agreement.
20. “Project Management Unit” means the firm, satisfactory to the Association, to be retained by the Recipient pursuant to Section IV.B.1(c)(ii) of Schedule 2 of this Agreement, in accordance with the provisions of Section III of Schedule 2 of this Agreement, and thereafter maintained, for the purpose of providing the services and discharging the responsibilities referred to in Section I.A.2 of Schedule 2 to this Agreement, all under terms of reference and with competent personnel in adequate numbers acceptable to the Association, and any successor thereto.
21. “Respective Parts of the Project” means Parts A, C, D and E of the Project to be implemented by the Project Implementing Entity.
22. “Samoa Electric Power Corporation” means the Recipient’s utility responsible for the generation, transmission, distribution and sale of electricity to the population of the Recipient, established under the Electric Power Corporation Act 1972, as superseded by the Electric Power Corporation Act 1980, as amended to the date hereof, and any successor thereto.
23. “Samoa Water Authority” means the Recipient’s utility responsible for the management and delivery of sustainable water and wastewater services to the population of the Recipient, established pursuant to the Water Authority Act of 1993, as amended to the date hereof, and any successor thereto.
24. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement and Section 2.05 of the Co-financing Agreement pursuant to which the Recipient shall make part of the proceeds of the Credit and the Co-financing available to the Project Implementing Entity.
25. “Training” means the costs of training under the Project, based on annual work plans and budgets approved by the Association, and attributable to seminars,

workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

Section II. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”
2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings

pursuant to the Bank's sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank's website and otherwise be made known to staff and other stakeholders.”