



LETTER OF AGREEMENT

AP 6/15

between the

Secretariat of the Pacific Regional Environment Programme (SPREP)

and the

Department of Environmental Protection and Conservation (DEPC) on behalf of the Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Environment, Energy and Disaster Management (MCCAMGEEDM), Government of Vanuatu

relating to

The implementation of the VANUATU USED OIL MANAGEMENT PILOT PROJECT, developed within the 'Committing to Sustainable Waste Actions in the Pacific' (SWAP) Project

hereinafter referred to as a "**Party**" and together collectively "**the Parties**".

This LETTER OF AGREEMENT (LOA) sets out the agreement between the **Secretariat of the Pacific Regional Environment Programme (SPREP)** and the **Department of Environmental Protection and Conservation (DEPC) on behalf of the Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Environment, Energy and Disaster Management (MCCAMGEEDM)** relating to the implementation of the **Vanuatu Used Oil Management Pilot Project**, developed under the 'Committing to Sustainable Waste Actions in the Pacific' (SWAP) Project.

WHEREAS:

- i. This Agreement is part of the implementation of the Financing Agreement n° AFD CZZ 2514 01Z signed between the Agence française de développement (AFD) and SPREP on February 27, 2020 for the implementation of the '**Committing to Sustainable Waste Actions in the Pacific' Project** (hereinafter referred to as the "SWAP").



- ii. This Agreement is made under Annex III of the Memorandum of Understanding signed between SPREP and DEPC/MCCAMGEEDM on the 23rd February 2024.
- iii. SPREP and DEPC/MCCAMGEEDM agree to collaborate jointly to implement the Vanuatu Used Oil Management Pilot Project, in accordance with the proposal included in Attachment 1, and approved by AFD, through the No-Objection Letter N°AFD 442D/2023/CFC dated on 3 October 2023.
- iv. Implementation of the Agreement will be conducted by DEPC/MCCAMGEEDM in accordance with and subject to the terms and conditions of this Letter of Agreement.

Now therefore the Parties hereby agree as follows:

1. Duration

- a. This Letter of Agreement (LOA) will come into effect upon signature of the Parties and will remain in effect until 31 October 2024.
- b. The Funded Activities shall be completed no later than 15 October 2024.

2. Allocated Funds and Disbursements

- a. The total cost of the Funded Activity is USD 166,485.00 (One Hundred and Sixty-Six Thousand Four Hundred and Eighty-Five United States Dollars) funded through the SWAP Project as outlined in the approved pilot project proposal in Attachment 1.
- b. The funds granted hereunder to DEPC/MCCAMGEEDM, are available for expenditures for the period from the date of effectiveness of this Letter of Agreement as stipulated in Clause 1 until the Activity end date. The approved budget is outlined in Attachment 1.
- c. DEPC/MCCAMGEEDM shall receive all Funds from SPREP as per the schedule of payments set out below:

Deliverable	Due date	Percentage	Total
Kick-off Meeting Minutes	1 week upon signature	20%	USD33,297.00
Copy of the contract with the consultant/company in charge of the design of the storage facility	1.5 month upon signature	20%	USD33,297.00
Minutes of the kick-off meeting to launch of the construction of the storage facility	30 June 2024	25%	USD41,621.25
Activity report for the construction of the storage facility including purchase of equipment	1 October 2024	20%	USD33,297.00
Documents confirming the production of promotional materials (invoice, photos, design,	1 October 2024	5%	USD8,324.25



other)			
End-of-Project Report	15 October 2024	10%	USD16,648.50
TOTAL			USD166,485.00

- d. With regard to procurement and financial management, **DEPC/MCCAMGEEDM** must:
- i. utilise the Activity Funds, and any supplies and equipment provided by the Activity Funds, in strict compliance with the Pilot Project proposal (Attachment 1 of this LOA) and thus within allocations as per the Pilot Project Budget. In the event that SPREP determines that any portion of the Activity Funds has been used for purposes other than the Funded Activities under Attachment 1, such portion shall be refunded to SPREP by DEPC/MCCAMGEEDM;
 - ii. be required to provide supporting documentation for all expenditure associated with the Funded Activities. This should then determine as well any funds remaining to be refunded back to SPREP;
 - iii. take steps to ensure compliance with SPREP's Procurement Manual as well as the Anti-Fraud and Anti-Corruption Framework of SPREP; and
 - iv. warrant that it shall contractually oblige all Personnel to ensure that Activity Funds will not be used for any illegal or improper purpose (including bribery) contrary to this Letter of Agreement (or any applicable laws of the VANUATU) on Prohibited Practices.
- e. Any infrastructure implemented under the pilot project, or any equipment, vehicles and/or major supplies acquired as part of the pilot project and necessary for the operation of the infrastructure built in this framework will be transferred to DEPC/MCCAMGEEDM at the end of the pilot project. A transfer agreement will be signed between SPREP and DEPC/MCCAMGEEDM at the end of the pilot project listing the transferred assets and containing a disclaimer.

3. Terms and Obligations of the Parties

- a. DEPC/MCCAMGEEDM shall undertake the Funded Activities as described in Attachment 1 ensuring all necessary actions are taken to fulfill the requirements of the terms and conditions of this Letter of Agreement for direct implementation of the Funded Activity in an effective and timely manner. This includes:
- i. providing overall supervision and oversight of the overall designated Funded Activities;
 - ii. involving the SWAP Project Management Unit at SPREP in all steps of the selection of the private partner engaged in the public-private partnership for the operation of the used oil storage and reprocessing facility, including approval of the Terms of References of the Call for Expression of Interest and assessment process of the applications;
 - iii. ensuring that the company engaged in the public-private partnership to operate the used oil storage and reprocessing facility 1) meets transparency criteria in terms of data provision and how the facility is operated in compliance with international standards (DEPC/ MCCAMGEEDM must be allowed to visit the facility at any time), 2) agrees to reprocess all used oil generated in Vanuatu independently and regardless of any potential commercial links with the generators, and 3) has experience in used oil reprocessing, including use of pyrolysis machine;



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- iv. ensuring that any personnel or subcontractors, including NGOs, Associations, etc assigned by DEPC/MCCAMGEEDM to the Funded Activities and/or under contract with DEPC/MCCAMGEEDM, shall work under the supervision of a MEIDECC designated official;
 - v. managing all financial aspects of the Funded Activity to ensure adequate financial tracking and reporting as required by the Letter of Agreement;
 - vi. ensuring the Funded Activity is managed in line with the approved budget; and
 - vii. monitoring the implementation of the Funded Activity.
- b. SPREP shall:
- i. provide technical support and advice;
 - ii. review and clear any project deliverables e.g. reports, communication and awareness materials, etc, prepared by DEPC/MCCAMGEEDM and Consultants before publication;
 - iii. review and approve the Terms of Reference of the Call for Expression of Interest aimed at selecting the private partner engaged in the public-private partnership to operate the used oil storage and reprocessing facility;
 - iv. be part of the panel for selecting the private partner that will take part in the public-private partnership to operate the used oil storage and reprocessing facility;
 - v. review and agree any publishing contracts;
 - vi. notify and obtain approval from AFD or its fiduciary agent about any expected variations on the Funded Activity;
 - vii. monitor and supervise DEPC/MCCAMGEEDM's delivery of the Funded Activity; and
 - viii. ensure the terms and conditions of the Letter of Agreement are met.
- c. Both parties agree to communicate regularly with each other and provide timely information on matters relating to the implementation of the Pilot Project.

4. Disclaimer

- a. Each Party agrees that its staff shall not be liable to the other or any person claiming through the other of:
- i. Payment of any income taxes or superannuation for Party's personnel;
 - ii. Loss raising through inadequate or no insurance cover whether for life, medical, travel, luggage, personal effects or otherwise;
 - iii. Any other loss or damage arising indirectly under this Letter of Agreement and whether arising in contract, tort or otherwise, unless caused by a negligent act or omission of the other Party.

5. Liability

- a. Personnel of DEPC/MCCAMGEEDM and subcontractors shall remain accountable to DEPC/MCCAMGEEDM for the manner in which assigned functions are discharged. They shall not be considered in any respect as being the employees or agents of SPREP. SPREP does not accept any liability for claims arising out of acts or omission of DEPC/MCCAMGEEDM or its personnel, or of its contractors or their personnel, in performing the Funded Activities or any claims for death, bodily injury, disability, damage to property or



other hazards that may be suffered by DEPC/MCCAMGEEDM, and its personnel as a result of their work pertaining to the Funded Activities unless, there are reasonable proof to show otherwise with mutual consent of the Parties.

6. Termination

- a. Each Party may terminate this Agreement at any time by giving the other ten days' notice in writing of its intention to do so.
- b. Upon receipt of a notice to terminate:
 - i. The Parties will take all action necessary to cancel outstanding commitments relating to the Services under this Letter of Agreement and will use their best efforts to honour their respective prior commitments.
 - ii. Payments will be made for work satisfactorily completed up to the time of termination, up to the stated maximum.
- c. Any unused portion of the unexpended funds shall be refunded to SPREP; no Activity Funds shall be disbursed after termination.
- d. Termination or expiry of this Agreement will not prejudice any rights or obligations of the Parties which exist, whether under this Letter of Agreement, at law or otherwise, prior to termination or expiry.

7. Dispute Settlement

- a. The Parties shall cooperate to carry out their obligations in good faith and shall endeavor to resolve any disagreement in an amicable manner, including through use of mediation and conciliation processes.

8. Variation of Agreement

- a. SPREP and DEPC/MCCAMGEEDM may request each other to make variations of this Agreement.
- b. Requests for variations shall not be unreasonably withheld.
- c. This Agreement may be varied by written agreement of the Parties.

9. Correspondence

- a. All further correspondence regarding the implementation of this Letter of Agreement should be addressed to:



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<p>For SPREP:</p> <p>Julie Pillet Technical Waste Project Coordinator, SWAP Email: juliep@sprep.org Telephone: +685 29129 SPREP, Avele Vailima, Apia, Samoa</p>	<p>For DEPC/MCCAMGEEDM</p> <p>Roselyn Bue Senior Officer (Chemical and Ozone) Department of environmental protection and conservation MCCAMGEEDM Email: rbue@vanuatu.gov.vu Telephone: (678) 25302 33430 Address: Ministry of Climate Change Adaptation, Meteorology & Geo-Hazards, Environment, Energy and Disaster Management Compound, Nambatu, Port Vila, PMB 9063, Vanuatu</p>
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- b. Any notice given by SPREP, or DEPC/MCCAMGEEDM shall be sufficient only if in writing and delivered in person, mailed or delivered electronically to the respective addresses noted in paragraph (a) above.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Letter of Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of the Fund.

DocuSigned by:

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Signature
 Sefanaia Nawadra
 Director General SPREP
 Secretariat of the Pacific Regional
 Environment Programme (SPREP)

Date: 29-Feb-2024 | 17:59 WST


 Signature
 Mr Abraham Nasak
 Acting Director General



**Ministry of Climate Change Adaptation,
 Meteorology, Geo-Hazards, Environment,
 Energy and Disaster Management
 (MCCAMGEEDM)**

Date: 29/02/2024



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Attachment 1: VANUATU USED OIL MANAGEMENT PILOT PROJECT PROPOSAL