Hon. Maatia Toafa  
Deputy Prime Minister  
Minister of Finance and Economic Development  
Ministry of Finance and Economic Development  
Vaiaku, Funafuti  
Tuvalu

Tuvalu: Additional Financing for the Pacific Aviation Investment Program—Tuvalu Aviation Investment Project, and Amendment to the PRIF Grant Agreement. PRIF Grant Number TF012703

Dear Honorable Minister,

We refer to the grant agreement (“PRIF Grant Agreement”) between Tuvalu (“Recipient”), and the International Development Association (“Association”) and the International Bank for Reconstruction and Development (collectively, “World Bank”) acting as administrator of grant funds provided by Australia and New Zealand (“Donors”) through the Pacific Region Infrastructure Facility (“PRIF”) multi-donor trust fund for the Tuvalu Aviation Investment Project (“Project”), dated July 30, 2012 (PRIF Grant No. TF012703).

The World Bank proposes to amend the PRIF Grant Agreement through this amendment letter (“Amendment Letter”) as follows:

1. The third paragraph of the PRIF Grant Agreement is amended to reflect the increased aggregate value of the funds made available by the Association so as to read as follows:

“The Association has also agreed to provide financing to the Recipient in an aggregate amount equivalent to thirteen million, six hundred thousand Special Drawing Rights (SDR 13,600,000) to finance activities related to the Project. This financing consists of two grants provided to the Recipient under the Original Financing Agreement between the Recipient and the Association dated December 5, 2013 in an aggregate amount equivalent to eleven million, five hundred thousand Special Drawing Rights (SDR 11,500,000), the first grant in an amount equivalent to seven million five hundred thousand Special Drawing Rights (SDR 7,500,000) (H749-TV), and the second grant in an amount equivalent to four million Special Drawing Rights (SDR 4,000,000) (H896-TV); and additional financing provided to the Recipient under the Additional Financing Agreement between the Recipient and the Association of the same date as this Amendment Letter (Grant Number D109-TV) in an amount equivalent to two million, one hundred thousand Special Drawing Rights (SDR 2,100,000).”
2. Section 1.02 of the Annex to the PRIF Grant Agreement is amended to read as follows:

"1.02 Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, in the Original Financing Agreement, the Additional Financing Agreement, or in this Agreement, and the following additional terms shall have the following meanings:

(a) “Additional Financing Agreement” means the financing agreement for the Pacific Aviation Investment Program - Tuvalu Aviation Investment Project between the Recipient and the Association, of the same date as this Amendment Letter, (Grant No. D109-TV), providing additional financing for activities related to the Project, as may be amended from time to time.

(b) “Project” means the project described in Schedule 1 to the Original Financing Agreement.”

3. All references to ‘Grant Agreement’ where the phrase is not immediately preceded with the word ‘PRIF’ in the PRIF Grant Agreement are replaced with the words ‘Original Financing Agreement’.

4. Section 2.01 of the Annex to the PRIF Grant Agreement is amended to read as follows:

“2.01 Project Objectives and Description. (a) The objective of the Project is to improve the safety and security of air transport and associated infrastructure. The purpose of this Grant is to co-finance the activities under the Project (the “Activities”).”

5. Section 2.02 of the Annex to the PRIF Grant Agreement is amended to read as follows:

“2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall, through MCT with the assistance of the TFSU, carry out Part B (d) of the Project with due diligence and efficiency and in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.”

6. Section 3.03 of the Annex to the PRIF Grant Agreement is amended to read as follows:

“3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2018.”

All capitalized terms used in this Amendment Letter have the same meaning assigned to them in the PRIF Grant Agreement. All the terms of the PRIF Grant Agreement not hereby amended will remain in full force and effect.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed two copies of this Amendment Letter, and returning one copy to the World Bank. This Amendment Letter shall become effective upon receipt by the World Bank of the countersigned copy of the Amendment Letter.

Sincerely,

Mona Sur
Acting Country Director
Timor-Leste, Papua New Guinea
& Pacific Islands
East Asia and Pacific Region

AGREED:

Tuvalu

By __________________________  
Authorized Representative

Title SECRETARY OF FINANCE AND ECONOMIC DEVELOPMENT

Date 20 MAY, 2016