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

Re: TUVALU: IDA Grant No. D109-TV
AMENDMENT to H749-TV and H896-TV
Additional Financing for the Pacific Aviation Investment Program –
Tuvalu Aviation Investment Project
Additional Instructions: Disbursement Letter

Honourable Minister:

I refer to the Financing Agreement between TUVALU (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced project, dated 2016. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Grant –D109-TV (the “Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Financing is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Financing:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Association.
(iii) Disbursement Condition (subsection 3.8). Please refer to the disbursement condition in the Financing Agreement.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the Association at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
Level 19, 14 Martin Place  
CML Building  
Sydney NSW 2000, Australia

Attention: Franz Drees-Gross, Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank  
26th Floor, One Global Place  
5th Avenue corner 25th Street, Bonifacio Global City  
Taguig City, Philippines

Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association’s Client Connection, web-based portal. The option to deliver Applications to the Association by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials (“SIDC”) from the Association for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the Association agrees, the Association will provide the Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Association reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of SIDC to Process Applications. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Secure Identification Credentials”) provided in Attachment 3; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Reimbursement & Direct Payment and issuance of Special Commitment is AUD 150,000.
(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** No separate designated account will be established for this additional financing; the existing designated account already established under IDA H896-TV will be used for receiving funds from this additional financing.

- **Currency of Designated Account (subsection 5.4):** Australian Dollar (AUD).

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** National Bank of Tuvalu.

- **Ceiling (subsection 6.1):** AUD700,000.

III. Reporting on Use of Financing Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4);
  - Statement of Expenditure in the form attached (Attachment 5) for all other expenditures/contracts; and
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts that are subject to prior review.

- **For reporting eligible expenditures paid from the Designated Account:**
  - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4);
  - Statement of Expenditure in the form attached (Attachment 5) for all other expenditures/contracts;
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts that are subject to prior review; and
  - Designated Account reconciliation in the form attached (Attachment 6) and related bank statement.

- **For requests for Direct Payment:** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Quarterly or more often if needed.
IV. Other Disbursement Instructions:

i) The ceiling of advance of AUD 700,000 indicated in paragraph II (vi) above is for designated accounts established under IDA H749-TV and IDA H896-TV.

ii) Separate ledger accounts should be maintained for the designated account established under IDA H896-TV so that receipt and use of funds from IDA H896-TV and IDA D109-TV can be properly segregated, recorded and accounted for.

V. Other Important Information


If you have not already done so, the Association recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Association by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact World Bank Loan Department at WFALN MANILA@worldbank.org using the above reference.

Yours sincerely,

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