

27-Jun-2023

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Hon. Seve Paeniu  
Minister,  
Ministry of Finance  
Vaiaku, Funafuti  
Tuvalu

**Tuvalu: Telecommunications and ICT Development Project**  
**(Grant Number: D403-TV)**  
**Amendment to the Financing Agreement**

Dear Honorable Minister:

We refer to the financing agreement between Tuvalu (“Recipient”) and the International Development Association (“Association”), dated February 7, 2019 (“Financing Agreement”), for the above-mentioned project (“Project”). We also refer to your letter dated May 8, 2023, requesting for a restructuring of the Project.

Please note that the capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meanings ascribed to them in the Financing Agreement.

We are pleased to inform you that the Association concurs with your request and proposes to amend the Financing Agreement as set forth below:

1. Article 3.01 of the Financing Agreement is amended by deleting the term “Ministry of Communications and Transport (“MCT”)” and replacing it with the term “Ministry of Justice, Communications and Foreign Affairs (“MJCFA”).
2. Part 2 of Schedule 1 to the Financing Agreement is amended to read as follows:
  - “a. Support for the Government’s financial contribution to the PPP transaction to design, build and operate the international backbone and domestic access networks to connect users on Funafuti to the global internet. The Outer Islands would also be covered by the services included under the PPP comprising improved satellite bandwidth and terrestrial access network infrastructure.
  - b. Strengthen TTC’s infrastructure, operations, and related technical assistance through, inter alia: (i) rollout of fiber optic on Funafuti; (ii) local caching of content and internet domain names; (iii) upgrading power supply to the network on the outer islands; (iv) establishment of a hub for direct satellite connections between Funafuti and the outer islands; (v) provision of additional wi-fi access points on the outer islands to supplement broadband mobile services; (vi) construction of small towers in Funafuti and on outer islands to support mobile radio antennae; and (viii) carrying out communication, training and awareness raising activities on digital skills, digital literacy and cyber safety awareness with a special focus on women entrepreneurship, and ICT skills and training for children”.
3. Schedule 2 to the Financing Agreement is amended to read as follows:

(a) All references to the acronym “MCT” are hereby deleted and replaced with the acronym “MJCFA”.

(b) Section I.A. is amended to add a new paragraph 2 which reads as follows:

“2. To facilitate the carrying out of Part 2.b. of the Project, The Recipient, through its MJCFA, shall:

(a) enter into a cooperation agreement with TTC and thereafter maintain said cooperation agreement during the implementation of the Project, on terms and conditions acceptable to the Association, setting out the roles and obligations of the parties under Part 2.b of the Project, including, *inter alia*: (i) TTC’s obligation to assist the Recipient in the carrying out of Part 2.b of the Project in accordance with the Anti-Corruption Guidelines, the Procurement Regulations, the ESCP and the Project Operational Manual; (ii) information and knowledge sharing; (iii) collaboration on procurement and financial management; (iv) obligations with respect to any asset transfers, operations and maintenance; (v) stakeholder consultations; (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the implementation of Part 2.b of the Project (“Cooperation Agreement”); and

(b) exercise its rights and perform its obligations under the Cooperation Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Cooperation Agreement or any of its provisions. In case of any conflict between the provisions of the Cooperation Agreement and those of this Agreement, the provisions of this Agreement shall prevail.”.

(c) Section 3.B is amended to read as follows:

**“B. Project Management Unit**

1 The MJCFA shall maintain a Project Management Unit (“PMU”) acceptable to the Association to provide financial, fiduciary and related support services under the Project. The PMU may enter into support arrangements acceptable to the Association. In such cases, the Recipient shall make part of the proceeds of the Financing available as Operating Costs under Category 1 of the Project.

2. Notwithstanding the provisions of paragraph 1 above, the Recipient shall maintain, throughout the implementation of the Project, the Central Project Management Office (CPMO) within the Ministry of Finance, with a mandate, composition, and resources satisfactory to the Association, which shall be responsible for providing advisory and technical support on

Project implementation to the PMU on an as-needed basis, including on project management, procurement, financial management, social and environmental management, monitoring and evaluation, outreach and communications.”

- (d) The description of Category 2 in the withdrawal table in Section III.A of Schedule 2 to the Financing Agreement is amended to read as follows:

“2. Goods, works, non-consulting services, consulting services, Operating Costs, Training and Workshops for Part 2 of the Project”.

- (e) Section III.B.2 is amended to read as follows:

“2. The Closing date is June 30, 2024”.

4. The Appendix to the Financing Agreement is amended to read as follows:

- (a) Definition number 6 (Ministry of Communication and Transport) is deleted in its entirety and replaced with the following:

“6. “Ministry of Justice, Communications and Foreign Affairs or “MJCFA” means the Recipient’s Ministry of Justice, Communications and Foreign Affairs or any successor thereto.”.

- (b) A new definition number 3 is added which reads as follows, and subsequent definitions are renumbered in their proper alphabetical and numerical order:

“3. Central Project Management Office” or “CPMO” means the central project management office established in June 2021 within the Recipient’s Ministry of Finance, to provide oversight and support on development projects.”

Except as specifically amended in this Amendment Letter, all other terms and conditions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the two originals of the Amendment Letter and returning one fully countersigned original of this Amendment Letter to us and retaining one original for your records.

This Amendment Letter shall not become effective until evidence satisfactory to the Association has been furnished to the Association that the Cooperation Agreement referred to in paragraph 2 of this Amendment Letter has been signed and is legally binding on the parties in accordance with its terms.

This Amendment Letter shall enter into effect on the date upon which the Association dispatches to the Recipient notice of its acceptance of the evidence required pursuant to the preceding paragraph; provided, however, that if the Association has not dispatched such notice by the date ninety (90) days after the countersignature of this Amendment Letter (or such later date which the Association, after consideration of the reasons for delay, has confirmed in writing to the

Recipient is acceptable to the Association in its sole discretion), this Amendment Letter and all obligations of the parties shall terminate.

Sincerely,  
INTERNATIONAL DEVELOPMENT ASSOCIATION




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Stephen N. Ndegwa  
Country Director  
Papua New Guinea & Pacific Islands  
East Asia and Pacific Region

CONFIRMED AND AGREED:

**TUVALU**

By:   
Name: Seve Paeniu  
Title: Minister of Finance  
Date: 27-Jun-2023