

STEPHEN NDEGWA
Country Director
Papua New Guinea and Pacific Islands

13-Oct-2023

Honorable Seve Paenui
Minister of Finance
Ministry of Finance
Vaiaku, Funafuti
Tuvalu

Honorable Minister:

**Tuvalu: Advance Agreement for Preparation of Proposed Pacific Islands Regional Oceanscape –
Second Phase for Economic Resilience Project
Preparation Advance No. IDA V486
Additional Instructions: Disbursement and Financial Information Letter
(First Restatement)**

I refer to the Advance Agreement (“Agreement”) between Tuvalu (“Recipient”) and the International Development Association (“World Bank”) for financing activities (“Activities”) facilitating the preparation of the above-referenced Pacific Islands Regional Oceanscape-Second Phase for Economic Resilience Project. The Standard Conditions, as defined in the Agreement, provide that the Recipient may from time-to-time request withdrawals of Advance amounts from the Advance Account in accordance with the Disbursement and Financial Information Letter (“DFIL”), and such additional instructions as the Bank may specify from time to time by notice to the Recipient. The Standard Conditions also provide that the DFIL may set out financial reporting requirements specific to the Activities. This letter constitutes such DFIL and may be revised from time to time. This DFIL replaces the first restated DFIL dated June 29, 2023 in its entirety.

I. Disbursement Arrangements, Withdrawal of funds from the Project Preparation Advance, and Reporting on the uses of funds from the Project Preparation Advance.

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 (“Disbursement Guidelines”), are available on the Bank’s secure website “Client Connection” at <https://clientconnection.worldbank.org> and its public website at <https://www.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Project Preparation Advance is specified below.

(i) Disbursement Arrangements

The table in Schedule 1 of this DFIL sets out the disbursement methods which may be used by the Recipient, information on registration of authorized signatories, processing of Withdrawal Applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Electronic Delivery of Withdrawal Applications¹

The Recipient shall through the Tuvalu Fisheries Department (TFD), Ministry of Fisheries and Trade deliver Withdrawal Applications (with supporting documents, “Applications”) electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effective after the officials designated in writing by the Recipient who are authorized to sign and deliver Applications have registered as users of “Client Connection.” The designated officials shall deliver Applications electronically by completing Form 2380, which is accessible through “Client Connection.” By signing the Authorized Signatory Letter the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by these means. The Recipient may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations) and which were previously agreed with the Bank. By designating officials to use SIDC and 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 the Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank’s public website at <https://worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>; and (b) to cause such officials to abide by those terms and conditions.

II. Financial Reports and Audits²

(i) Financial Reports

The Recipient shall through the Tuvalu Fisheries Department prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter interim unaudited financial reports (“IFRs”) for the Activities covering the quarter.

(ii) Audits

Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank by the Recipient through the Tuvalu Fisheries Department not later than six (6) months after the end of such period.

(a) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(b) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period must be furnished to the Bank not later than six (6) months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

¹ Section 9.01 (c) of the Standard Conditions

² Section 2.09 of the Standard Conditions

(c) Notwithstanding the provisions of paragraphs (a) and (b) of above, the Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website at <https://www.worldbank.org> and "Client Connection" at <https://clientconnection.worldbank.org> the Bank recommends that you register as a user of "Client Connection." From this website, you will be able to prepare and deliver Authorized Signatory Letters and Withdrawal Applications, monitor the near real-time status of the Advance and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,



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

Attachments

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)

With copies: Ministry of Finance
Vaiaku Road
Funafuti
Tuvalu
tpatolo@gov.tv

Ministry of Fisheries and Trade
P.O. Box 23 Vaiaku,
Funafuti, Tuvalu
samf@tuvalufisheries.tv

Schedule 1 : Disbursement Provisions

Basic Information					
Project Preparation Advance number	V486-TV	Country	Tuvalu	Refinancing Date	Section 3.03 of Article III to the Advance Agreement.
		Recipient	Tuvalu (represented by Ministry of Finance)		
		Name of the Project Preparation Advance	Proposed Pacific Islands Regional Oceanscape-Second Phase for Economic Resilience	Disbursement Deadline Date <i>Subsection 3.7 **</i>	The disbursement deadline date is the same as the refinancing date.
Disbursement Methods and Supporting Documentation					
Disbursement Methods <i>Section 2 (**)</i>	Methods	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	Yes	Copy of records evidencing expenditure (e.g., invoices and receipts)			
Reimbursement	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL			
Advance (into a Designated Account)	Yes	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL			
Special Commitments	Yes	Copy of Letter of Credit (including pro forma invoice(s), if cited in the Letter of Credit)			
Designated Account (Sections 5 and 6 **)					
Type	Segregated		Ceiling	Fixed	
Financial Institution - Name	National Bank of Tuvalu		Currency	Australian Dollars	
Frequency of Reporting <i>Subsection 6.3 (**)</i>	Quarterly or more often if needed		Amount	AUD 200,000	
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is AUD10,000.					
Authorized Signatures (Subsection 3.1 and 3.2 **) <i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</i> Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)					
<p>The form for Authorized Signatory Letter (ASL) is provided in Attachment 1 of this letter.</p> <p>The ASL and all Withdrawal Applications corresponding to this Project Preparation Advance, with their supporting documentation, will be submitted electronically via the Bank's "Client Connection" system.</p>					

** Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.

Attachment 1 – Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
Vaiaku Road
Funafuti, Tuvalu

[DATE]

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

Attention: **Country Director**

Re: Project Preparation Advance No. V486-TV (Preparation of Proposed Pacific Islands Regional Oceanscape – Second Phase for Economic Resilience Project)

I refer to the Advance Agreement (Agreement³) between the International Development Association (“World Bank”) and Tuvalu (the “Recipient”), providing for the above Project Preparation Advance. For the purposes of Section 3.01 of the Standard Conditions as defined in the Agreement, any ³ **[one/two/three]** of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Preparation Advance.

For the purpose of delivering the Applications to the Bank, ⁴ **[one/two/three]** of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Recipient, acting **[individually⁵ / jointly⁶]** to deliver the Applications and evidence in support thereof on the terms and conditions specified by the Bank.

This Authorization also confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank

³ Instruction to the Recipient: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Bank.*

⁴ Instruction to the Recipient: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Bank.*

⁵ Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

⁶ Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

including by electronic means. In full recognition that the Bank shall rely upon such representations and warranties, including the representations and warranties contained in 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 SIDC”), the Recipient represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to the Agreement(s) referred to in the subject line of this Authorization.

Signatory Details

Name	Position	Email ID
[Signatory Name]	[Title]	[Email]

Specimen Signatures

Signatory Name	Signature 1	Signature 2	Signature 3
[User Name]			
[User Name]			

Yours truly,

/ signed /

[Position]⁷

⁷ Instruction to Bank staff: please forward this letter to the Country Lawyer for further processing (Recipient: please do not delete this note).

Attachment 2 – Statement of Expenditures

STATEMENT OF EXPENDITURES

Financier	
Loan/Credit/Grant#	
Application#	
Category#	
Page#	

PAYMENTS MADE DURING THE PERIOD FROM _____ TO _____

The following expenditures have been paid during the retroactive financing period (please tick)	Yes	No
The following expenditures have been incurred before the closing date of the credit/grant (please tick)	Yes	No

ONLY for the Designated Account

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No.	Supplier's Name	Brief Description of the expenditure	Prior Review Contract? (Yes or No)	Contract # (Client Connection # for Prior Review Contracts)	Contract currency and amount (original + amendment)	Invoice number	Date of payment	Total amount of invoice covered by application (net of retention)	% Financed by the Bank	Eligible Amount (col 9x10)	Exchange Rate	Date of Withdrawal from the Designated Account	Amount Withdrawn from the Designated Account (Col11/12)
Total										xxx		xxx	

Supporting Documents for this SOE retained at _____ (insert location)

FOR OFFICIAL USE ONLY

Prepared by: *Ma. Lourdes Mascardo / Anthony Okwako (WFACS)*

Cleared with and cc: *Mazhar Farid (LEGAS)*
Iretomiwa Olatunji (SEAE1)

Cc: *Ha Thuy Tran, Yolanda Mengyu Cao (EEAG2)*