
**GRANT NUMBER D905-TV
AMENDMENT to D2410 -TV
AMENDMENT to D109-TV
AMENDMENT to H749-TV and H896-TV**

Financing Agreement

**(Fourth Additional Financing for the Pacific Aviation Investment Program – Tuvalu
Aviation Investment Project)**

and

Amendment to the Original Financing Agreement

and

Amendment to the Additional Financing Agreement

and

Amendment to the Third Additional Financing Agreement

between

TUVALU

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

**GRANT NUMBER D905-TV
AMENDMENT to D2410 -TV
AMENDMENT to D109-TV
AMENDMENT to H749-TV and H896-TV**

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between TUVALU (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities relating to the Original Project (as defined in the Appendix to this Agreement).

WHEREAS:

- (A) the Recipient, the Kingdom of Tonga, the Republic of Kiribati, the Independent State of Samoa, and the Republic of Vanuatu (collectively the “Program Countries”) are carrying out a Program (as defined in the Appendix to this Agreement) in a coordinated manner with financing provided by the Association and the Pacific Region Infrastructure Facility (“PRIF”);
- (B) under the Original Financing Agreement (as defined in the Appendix to this Agreement), the Association agreed to provide the Recipient with a grant in an aggregate amount equivalent to eleven million five hundred thousand Special Drawing Rights (SDR 11,500,000), consisting of an original grant in an amount equivalent to seven million five hundred thousand Special Drawing Rights (SDR 7,500,000) (H749-TV), and an additional grant in an amount equivalent to four million Special Drawing Rights (SDR 4,000,000) (H896-TV) to assist in financing the Original Project;
- (C) under an agreement, dated July 30, 2012, between the Recipient and the International Bank for Reconstruction and Development and the Association (collectively, “World Bank”), acting as administrator of grant funds provided by PRIF, the World Bank agreed to provide the Recipient with a grant in an amount of one hundred seventy thousand Dollars (\$170,000) (TF012703) to assist in financing Part 2(d) of the Original Project;
- (D) under the Additional Financing Agreement (as defined in the Appendix to this Agreement), the Association agreed to provide the Recipient with a second additional grant in an amount equivalent to two million one hundred thousand Special Drawing Rights (SDR 2,100,000) (D109-TV) to assist in financing the Original Project;

- (E) under the Third Additional Financing Agreement (as defined in the Appendix to this Agreement), the Association agreed to provide the Recipient with a third additional grant in an amount equivalent to six million two hundred thousand Special Drawing Rights (SDR 6,200,000) (D2410TV) to assist in financing the Original Project;
- (F) the Recipient has requested the Association to provide additional financial assistance in support of activities related to the Original Project, by providing a fourth additional grant in an amount equivalent to four million and two hundred thousand Special Drawing Rights (SDR 4,200,000);
- (G) the Association has agreed, on the basis, *inter alia*, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement; and
- (H) this Agreement: (i) sets out the terms and conditions related to the additional financing for the Project; (ii) amends specific provisions of the Original Financing Agreement, Additional Financing Agreement, and the Third Additional Financing Agreement as set forth in Section II of the Appendix to this Agreement; (iii) amends specific provisions of the Original Financing Agreement as set forth in Section III of the Appendix to this Agreement; (iv) amends specific provisions of the Additional Financing Agreement as set forth in Section IV of the Appendix to this Agreement; and (v) amends specific provisions of the Third Additional Financing Agreement as set forth in Section V of the Appendix to this Agreement.

NOW THEREFORE the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions, the Original Financing Agreement, the Additional Financing Agreement, Third Additional Financing Agreement or in this Agreement (including the Preamble and Appendix thereto).

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, deemed by the Association to be Concessional Financing for purposes of the General Conditions, in an amount equivalent to four million and two hundred thousand Special Drawing Rights (SDR 4,200,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are February 15 and August 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall, through the Ministry of Transport, Energy and Tourism (“MTET”), carry out Part 1 of the Project, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient’s Representative is the minister at the time responsible for finance.

- 5.02. For the purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:

Ministry of Finance and Economic Development
Vaiaku
Funafuti
Tuvalu

- (b) the Recipient's Electronic Address is:

E-mail:
mtoafa@gov.tv

- 5.03. For purposes of Section 11.01 of the General Conditions: (a) The Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

- (b) the Association's Electronic Address is:

Telex: 248423 (MCI) Facsimile: 1-202-477-6391 E-mail: cdpngpacific@worldbank.org

AGREED as of the Signature Date.

TUVALU

By



Authorized Representative
Seve Paeniu

Name: _____

Title: Hon Mr _____

Date: 01-Nov-2021 _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative
Stephen N. Ndegwa

Name: _____

Title: Country Director, PNG & Pacific Islands _____

Date: 18-Oct-2021 _____

Mk

SCHEDULE 1

Project Description

The objective of the Project is to improve the safety and security of air transport and associated infrastructure.

The Project is part of the Program and consists of Part 1 of the Original Project, as amended.

SCHEDULE 2

Project Execution

A. Implementation Arrangements

B. Institutional

1. Program Steering Committee

To ensure proper oversight and implementation of the Program at regional level, the Recipient shall, in collaboration with the other Program Countries, ensure that the Program Steering Committee is maintained until the Closing Date. Without limitation to the foregoing, the Program Steering Committee shall: (a) be comprised of, *inter alia*, the chairperson of the National Steering Committees (or their designated representatives) from each of the Program Countries and PASO's general manager (or a designated representative); (b) have terms of reference satisfactory to the Association; and (c) be responsible for reviewing and evaluating Program implementation progress. To this end, the Recipient shall ensure that the Program Steering Committee shall meet at least three times every calendar year.

2. National Steering Committee

To ensure proper oversight of the Project at the national level, the Recipient shall maintain, until the Closing Date, the National Steering Committee with terms of reference and composition satisfactory to the Association, with responsibility for, *inter alia*, Project oversight, including ensuring consistency of the Project with the goals and objectives of the national aviation sector, making recommendations regarding the resolution of Project related implementation issues and proposing remedial actions.

3. Regional Procurement Evaluation Committee

The Recipient shall, in collaboration with the other Program Countries, ensure that the Regional Procurement Evaluation Committee, which shall be comprised of representatives of the Program Countries and PASO, to be responsible for, *inter alia*, evaluating regional level procurement activities under the Project, is maintained until the Closing Date.

4. Project Support Team

The Recipient shall maintain, throughout the Project implementation period, a Project Support Team with a mandate, composition, and resources satisfactory to

the Association, which shall: (a) be responsible for, *inter alia*, day to day management of the Project; and (b) be supported by PAIP consultants including (i) a program manager; (ii) a finance manager; and (iii) a procurement specialist.

C. Operations Manual

The Recipient shall ensure that the Project is carried out in accordance with the Operations Manual, and except as the Association shall otherwise agree in writing, the Recipient shall not amend, abrogate or waive any provision of the Operations Manual without the prior written agreement of the Association. In case of any discrepancies between the provisions of the Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards

1. The Recipient shall ensure that Part 1 of the Project is carried out in accordance with the provisions of the Safeguard Instruments.
2. If any activities proposed for inclusion in Parts 1 of the Project would, pursuant to the RPF, require the adoption of a RAP, the Recipient shall ensure: (a) that said RAP shall be prepared in accordance with the requirements of the RPF, disclosed locally and furnished to the Association; and (b) ensure that said activities shall not be commenced until: (i) all measures required to be taken under said RAP prior to the commencement of said activities have been taken; (ii) the Recipient has prepared and furnished to the Association a report in form and substance satisfactory to the Association, on the status of compliance with the requirements of said RAP; and (iii) the Association has confirmed that said activities may be commenced.
3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, in accordance with terms of reference satisfactory to the Association: (a) monitor the status of compliance with the Safeguard Instruments; and (b) prepare quarterly reports and furnish the same to the Association, as part of the Project Reports, on the results of such monitoring activities, giving details of:
 - (a) measures taken in furtherance of such Safeguard Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and

- (c) remedial measures taken or required to be taken to address such conditions.

4. Waste Management

- (a) The Recipient shall ensure that all solid waste generated by Project activities shall be disposed of in accordance with acceptable environmental practices as further stipulated in the ESMP.
- (b) Without limitation on the foregoing, if any activity proposed for inclusion in Part 1 of the Project would require the export of Project waste outside the territory of the Recipient, the Recipient shall ensure that no such export shall commence until and unless: (i) all measures required to be taken under said ESMP prior to the commencement of said activities have been taken; and (ii) the Association has confirmed that said activities may be commenced.

5. The Recipient shall afford the Association a reasonable opportunity to review the reports prepared under paragraph 3 of this Part C, and thereafter shall carry out or cause to be carried out, with due diligence, all remedial measures agreed with the Association so as to ensure the proper implementation of Part 1 of the Project in accordance with the Safeguard Instruments.

6. Except as the Association shall otherwise agree in writing, the Recipient shall not amend or waive any provision of the provisions of the Safeguard Instruments. In the event of a conflict between the provisions of the Safeguard Instruments and those of this Agreement, the latter shall prevail.

E. Safety and Security Departure Levy

The Recipient shall, at all times throughout the Project implementation period, collect from departing international air passengers a levy in a minimum amount equivalent to five Australian Dollars (AU\$5) to recover aviation safety and security expenditures incurred by the Recipient, as such amount may be revised with prior written agreement of the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, works, Training, Operating Costs, ICAO Membership Fees, and consulting services for the Project.	4,200,000	100%
TOTAL AMOUNT	4,200,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 15, 2022.

APPENDIX

Section I. Definitions

1. “Additional Financing Agreement” means the financing agreement between the Recipient and the Association, dated May 20, 2016, for the purpose of providing second additional financing for the Original Project and amending the Original Financing Agreement, as may be amended from time to time (Grant No. D109-TV).
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “AU\$” means Australian Dollars, the lawful currency of Australia.
4. “Category” means a category set forth in the table in Section III.1 of Schedule 2 to this Agreement.
5. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and “Displaced Persons” means more than one Displaced Person.
6. “ESMP” means the Environmental and Social Management Plan (formerly, the Environmental Management Plan), dated November 4, 2011 and updated on August 18, 2017 and August 6, 2021, with respect to the Project, setting forth measures to be implemented in the Recipient’s territory for the protection of the environment; and avoidance of, or mitigation against, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the prior written agreement of the Association.
7. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020 and April 1, 2021).

8. “ICAO” means International Civil Aviation Organization, the organization established pursuant to the Chicago Convention on International Civil Aviation signed on December 7, 1944.
9. “ICAO Membership Fees” means the membership fees payable by the Recipient to the ICAO to become and maintain membership of the ICAO.
10. “Line Ministries” means the Recipient’s Office of the Prime Minister, and ministries of Finance and Economic Development, Public Works, Natural Resources and Foreign Affairs and Environment, or any successors thereto, and any other of the Recipient’s ministries that may be proposed by the Recipient and agreed to by the Association for purposes of implementing and/or benefiting from the activities referred to in Part 3 of the Project.
11. “Ministry of Transport, Energy and Tourism” or “MTET” means the Recipient’s ministry responsible for transport, energy and tourism or any successor thereto.
12. “National Steering Committee” means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
13. “National Steering Committees” means collectively, the National Steering Committee and similar committees established by the Program Countries for purposes of overseeing implementation of the Program in the respective territories of the Program Countries.
14. “Operating Costs” means incremental expenses incurred by the Recipient on account of the implementation, management, and monitoring and evaluation of the Project, based on the annual budgets approved by the Association, including rental of office space, bank charges, communications, utilities, stationery, vehicle operation, maintenance, and insurance, transportation costs, advertising expenses, and accommodations and allowances of MTET’s and the Line Ministries’ staff, taxes incurred during overseas travel, but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of the Recipient’s civil servants.
15. “Operations Manual” means the Recipient’s operations manual dated October 24, 2012 and updated on September 18, 2017 and August 6, 2021, setting forth the procedures for implementation arrangements for the Project, including, inter alia procurement, financial management, monitoring and evaluation procedures, as the same may be amended and/or supplemented from time to time with the prior written agreement of the Association.

16. “Original Financing Agreement” means the Amended and Restated Financing Agreement between the Recipient and the Association, dated December 5, 2013, for the purpose of providing original grant and first additional financing for the Original Project, as may be amended from time to time (Grant No. H749-TV and H896-TV).
17. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.
18. “PASO” means Pacific Aviation Safety Office, the office established under the terms of the Pacific Islands Civil Aviation Safety and Security Treaty (PICASST), which was ratified by the Recipient on May 8, 2008 and which entered into force on June 7, 2008, or any successor thereto.
19. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.”
20. “Program” means the regional aviation program designed to be carried out by the Program Countries, as presented to such countries in the PASO’s Council Meeting held at Noumea, New Caledonia on October 13, 2011, and as set forth in minutes of such meeting dated October 21, 2011.
21. “Program Countries” has the meaning ascribed to this term in the preamble to this Agreement.
22. “Program Steering Committee” means the committee and referred to in Section I.A.1 of Schedule 2 to this Agreement.
23. “Project Support Team” means the team located with MTET and referred to in Section I. A.4 of Schedule 2 to this Agreement.
24. “RAP” means the Abbreviated Resettlement Action Plan, dated April 12, 2015, prepared by the Recipient on the basis of the RPF, and giving details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the RPF, along with the procedural and institutional measures needed to implement such actions, measures and policies; the term “RAPs” means more than one such RAP.
25. “Regional Procurement Evaluation Committee” means the referred to in Section I.A.3 of Schedule 2 to this Agreement.

26. “RPF” or “Resettlement Policy Framework” means the resettlement policy framework dated October 21, 2013, acceptable to the Association and adopted by the Recipient, and giving details of provisions for compensation, rehabilitation and resettlement assistance to Displaced Persons.
27. “Safeguard Instruments” means the RPF, ESMP and RAPs, if any.
28. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
29. “Third Additional Financing Agreement” means the financing agreement between the Recipient and the Association, dated December 11, 2017, for the purpose of providing third additional financing for the Original Project, amending the Original Financing Agreement (Grant No. D109-TV), and amending the Additional Financing Agreement (Grant No. H749-TV and H896-TV).
30. “Training” means the reasonable costs of training under the Project, based on the annual budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with domestic and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, taxes incurred during overseas travel, and other activities directly related to course preparation and implementation.

Section II. Amendments to the Original Financing Agreement, Additional Financing Agreement, and the Third Additional Financing Agreement

1. All references to “MCT” or “Ministry of Communications and Transport” in the Original Financing Agreement, Additional Financing Agreement, and the Third Additional Financing Agreement shall be deleted and replaced with “MTET” or “Ministry of Transport, Energy and Tourism”.
2. Section I.A of Schedule 2 to the Original Financing Agreement, Additional Financing Agreement, and the Third Additional Financing Agreement shall be deleted and replaced with:

“1. Program Steering Committee

To ensure proper oversight and implementation of the Program at regional level, the Recipient shall, in collaboration with the other Program

Countries, ensure that the Program Steering Committee is maintained until the Closing Date. Without limitation to the foregoing, the Program Steering Committee shall: (a) be comprised of, *inter alia*, the chairperson of the National Steering Committees (or their designated representatives) from each of the Program Countries and PASO's general manager (or a designated representative); (b) have terms of reference satisfactory to the Association; and (c) be responsible for reviewing and evaluating Program implementation progress. To this end, the Recipient shall ensure that the Program Steering Committee shall meet at least three times every calendar year.

2. National Steering Committee

To ensure proper oversight of the Project at the national level, the Recipient shall maintain, until the Closing Date, the National Steering Committee with terms of reference and composition satisfactory to the Association, with responsibility for, *inter alia*, Project oversight, including ensuring consistency of the Project with the goals and objectives of the national aviation sector, making recommendations regarding the resolution of Project related implementation issues and proposing remedial actions.

3. Regional Procurement Evaluation Committee

The Recipient shall, in collaboration with the other Program Countries, ensure that the Regional Procurement Evaluation Committee, which shall be comprised of representatives the Program Countries and PASO, to be responsible for, *inter alia*, evaluating regional level procurement activities under the Project, is maintained until the Closing Date.

4. Project Support Team

The Recipient shall maintain, throughout the Project implementation period, a Project Support Team with a mandate, composition, and resources satisfactory to the Association, which shall: (a) be responsible for, *inter alia*, day to day management of the Project; and (b) be supported by PAIP consultants including (i) a program manager; (b) a finance manager; and (c) a procurement specialist.”

3. Section I.B.1 of Schedule 2 to the Original Financing Agreement, Additional Financing Agreement, and the Third Additional Financing Agreement shall be deleted and replaced with:

- “1. To facilitate proper and efficient implementation of Parts 1, 2(c) and (d) of the Project, the Recipient shall maintain, until December 31, 2019, the services of TFSU, through TAL, to assist MTET with implementation of said parts of the Project, under a Service Agreement with terms and conditions acceptable to the Association, including:
- (a) the obligation of TFSU to provide to MTET technical, fiduciary and safeguards monitoring support for the Project, including preparation and evaluation of bids with the assistance of the Regional Procurement Evaluation Committee;
 - (b) the obligation of TAL to maintain the TFSU with responsibility for day to day coordination of Project activities and implementation support at the regional level;
 - (c) the obligation of the Recipient and TAL, in collaboration with the other Program Countries, to ensure that the Program Steering Committee is maintained with composition and terms of reference satisfactory to the Association; and
 - (d) the Recipient’s obligation to pay its share of the TFSU Costs out of the proceeds of the Financing;

all in accordance with the provisions of this Agreement.”

4. Section IV.B.2 of Schedule 2 to the Original Financing Agreement, Additional Financing Agreement, and the Third Additional Financing Agreement shall be deleted and replaced with:

“2. The Closing Date is December 15, 2020.”

Section III. Amendments to the Original Financing Agreement

1. Part 1 of the project description in Schedule 1 to the Original Financing Agreement is revised to add (m) as follows:

“(m) monitoring of runway condition post-construction.”

2. Part 3 of the project description in Schedule 1 to the Original Financing Agreement is revised to read as follows:

“Part 3: Project Support

- (a) Provision of technical, advisory and administrative support to MTET, Line Ministries and the TFSU, including supporting the Recipient’s participation in the ICAO, provision of office space and equipment, services of financial auditors and financing annual subscriptions for the operation of the satellite communications network during Project implementation period;
 - (b) Support the Recipient in its development and application of tools and trainings to raise awareness, implement, monitor and evaluate activities related to gender based violence, violence against children and environmental and social safeguards measures.”
3. Section IV.A.2 of Schedule 2 to the Original Financing Agreement is revised as follows:
- (a) The percentage of expenditures to be financed under the disbursement Category of the Original Financing Agreement is retroactively amended, applicable as of February 17, 2012 for Grant Number H749-TV and as of December 5, 2013 for Grant Number H896-TV, to include Taxes.
 - (b) The Category description is amended, applicable as of the Signature Date, to include ICAO Membership Fees.

Accordingly, the table in Section IV.A.2 of Schedule 2 to the Original Financing Agreement is revised to read as follows:

Category	Amount of the Original Grant Allocated (expressed in SDR)	Amount of the Additional Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes, applicable as of February 17, 2012 for Grant Number H749-TV and as of December 5, 2013 for Grant Number H896-TV)
Goods, works, Training, Operating Costs, ICAO Membership Fees, TFSU Costs and consulting services for the Project (excluding Part 2 (d) of the Project)	7,500,000	4,000,000	100% of the TFSU Costs paid as per the terms of the Service Agreement; and 100% of all other Eligible Expenditures
TOTAL AMOUNT	7,500,000	4,000,000	

4. A new paragraph 10 is inserted into the Appendix to the Original Financing Agreement to read as follows and the subsequent paragraphs are renumbered to restore ascending numeric value:

“10. “ICAO Membership Fees” means the membership fees payable by the Recipient to the ICAO to become and maintain membership of the ICAO.”

5. Paragraph 12 in the Appendix to the Original Financing Agreement shall be deleted and replaced with:

“12. “Ministry of Transport, Energy and Tourism” or “MTET” means the Recipient’s ministry responsible for transport, energy and tourism, or any successor thereto.”

Section IV. Amendments to the Additional Financing Agreement

1. Section 3.01(b) of the Additional Financing Agreement shall be deleted and replaced with:

“(b) through the Ministry of Transport, Energy and Tourism (“MTET”), carry out Parts 1 and 2(c) and (d) of the Project;

all in accordance with the provisions of Article IV of the General Conditions.”

2. Section IV.A.2 of Schedule 2 to the Additional Financing Agreement is revised as follows:

- (a) The percentage of expenditures to be financed under the disbursement Category of the Additional Financing Agreement is retroactively amended, applicable as of May 20, 2016, to include Taxes.

- (b) The disbursement Category description is amended, applicable as of the Signature Date, to include ICAO Membership Fees.

Accordingly, the table in section IV.A.2 of Schedule 2 to the Additional Financing Agreement is revised to read as follows:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes, applicable as of May 20, 2016)
Goods, works, Training, Operating Costs, ICAO Membership Fees, TFSU Costs and consulting services for the Project (excluding Part 2 (d) of the Project)	2,100,000	100% of the TFSU Costs paid as per the terms of the Service Agreement; and 100% of all other Eligible Expenditures
TOTAL AMOUNT	2,100,000	

3. A new paragraph 5 is inserted into the Appendix to the Additional Financing Agreement to read as follows and the subsequent paragraphs are renumbered accordingly:

“5. “ICAO Membership Fees” means the membership fees payable by the Recipient to the ICAO to become and maintain membership of the ICAO.”

4. Paragraph 6 in the Appendix to the Additional Financing Agreement shall be deleted and replaced with:

“6. “Ministry of Transport, Energy and Tourism” or “MTET” means the Recipient’s ministry responsible for transport, energy and tourism, or any successor thereto.”

Section V. Amendments to the Third Additional Financing Agreement

1. Section 3.01(b) of the Third Financing Agreement shall be deleted and replaced with:

“(b) through the Ministry of Transport, Energy and Tourism (“MTET”), carry out Part 1 of the Project;

all in accordance with the provisions of Article IV of the General Conditions.”

2. Paragraph 11 in the Appendix to the Additional Financing Agreement shall be deleted and replaced with:

“11. “Ministry of Transport, Energy and Tourism” or “MTET” means the Recipient’s ministry responsible for transport, energy and tourism, or any successor thereto.”