



December 1, 2017

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

Dear Honourable Minister,

***TUVALU: IDA Grant No. D241-TV***  
***Additional Financing for the Pacific Aviation Investment Program –***  
***Tuvalu Aviation Investment Project***  
***Additional Instructions: Disbursement and Financial Information Letter (DFIL)***

I refer to the Financing Agreement (“Agreement”) between TUVALU (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced project, dated December 01, 2017. The General Conditions, as defined in the Financing Agreement, provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Grant No. D241-TV (“Financing”), and specify certain financial management reporting and audit requirements. This letter (“Disbursement and Financial Information Letter” or “DFIL”), as revised from time to time, constitutes such additional instructions.

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

**I. Disbursement Arrangements, Withdrawal and Reporting of Financing Proceeds**

**(i) Disbursement Arrangements:**

- ***Instructions*** (Schedule 1). The table provides the disbursement methods, information on registration of authorized signatures, 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.
- ***Minimum Value of Applications (subsection 3.5)***. The Minimum Value of Applications for Reimbursement, Direct Payment and Special Commitment is AUD150,000.
- ***Disbursement Deadline Date, DDD (subsection 3.7)***. The DDD is four (4) months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Association.

**(ii) Electronic Delivery.** Refer to section 11.01 (c) of the General Conditions:

- The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association's web-based portal (<https://clientconnection.worldbank.org>) "Client Connection". This option may be effected if: (a) the Recipient has designated in writing, 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". The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through "Client Connection". 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. 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, available in the Association's public website at <https://worldbank.org> and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

## II. Financial Reports and Audits

**(i) Financial Reports.** The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter interim unaudited financial reports (IFR) for the Project covering the quarter.

**(ii) Audits.** Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association 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 Association's public website and "Client Connection". The Association recommends that you register as a user of "Client Connection". 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. For more information about the website and registration arrangements, please contact the Association by email at [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org).

If you have any queries in relation to the above, please contact [WFALN\\_Manila@worldbank.org](mailto:WFALN_Manila@worldbank.org) using the above reference.

Yours sincerely,



Michel Kerf  
Country Director  
Papua New Guinea & Pacific Islands  
East Asia and Pacific Region

**Attachments**

1. Sample Form of Payments Against Contracts Subject to the Association's Prior Review
2. Sample Form of Statement of Expenditures
3. Sample Form of Designated Account Reconciliation Statement
4. Form of Authorized Signatory Letter

Cc with copies: Hon. Monise Lafai, Minister of Communications and Transport  
Ministry of Communications and Transport  
[mllaafai@yahoo.com](mailto:mllaafai@yahoo.com); [mllaafai@gov.tv](mailto:mllaafai@gov.tv)

Mr. Falalese Tupau, Secretary for Communications and Transport  
Ministry of Communications and Transport  
[ftupau@gov.tv](mailto:ftupau@gov.tv)

Ms. Limasene Teatu, Secretary to Government  
Ministry of Finance and Economic Development  
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Mr. Darin Cusack, PAIP Program Director  
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[lcocker@paiptfsu.com](mailto:lcocker@paiptfsu.com)

**Schedule 1  
Disbursement Arrangements**

<b>IDA Grant Number</b>		<b>Country</b>	TUVALU
		<b>Recipient</b>	TUVALU
		<b>Name of the Project</b>	Additional Financing for the Pacific Aviation Investment Program – Tuvalu Aviation Investment Project
<b>Disbursement Methods</b>	<b>Methods Available</b>	<b>Supporting Documentation</b>	
<i>Section 2 (**)</i>		<i>Subsections 4.3 and 4.4 (**)</i>	
Direct Payment	Yes	Copy of Records.	
Reimbursement	Yes	(i) Payments Against Contracts Subject to the Association's Prior Review in the form attached (Attachment 1); and (ii) Statement of Expenditures in the form attached (Attachment 2) for all other contracts and expenditures.	
Advance:	Yes	(i) Payments Against Contracts Subject to the Association's Prior Review in the form attached (Attachment 1); (ii) Statement of Expenditures in the form attached (Attachment 2) for all other contracts and expenditures; and (iii) Designated Account Reconciliation Statement in the form attached (Attachment 3).	
Special Commitments	Yes	Copy of Letter of Credit	
<b>Type</b>	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.	<b>Ceiling</b>	Fixed
<b>Financial Institution - Name</b>	National Bank of Tuvalu	<b>Currency</b>	Australian Dollar (AUD)
<b>Frequency of Reporting, Subsection 6.3 (**)</b>	Quarterly or more often if needed	<b>Amount</b>	AUD700,000

An authorized signatory letter in the Form attached (Attachment 4) 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: Country Director

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  
26<sup>th</sup> Floor, One Global Place  
5<sup>th</sup> Avenue corner 25<sup>th</sup> Street, Bonifacio Global City  
Taguig City, Philippines

Attention: Loan Department

- i) The ceiling of advance of AUD700,000 indicated above is for designated account established under IDA H896-TV.
- ii) Separate ledger account codes should be maintained for the designated account established under IDA H896-TV so that receipts and uses of funds of this additional financing can be properly segregated, recorded and accounted for.

**\*\* Sections and subsections indicated relate to the Disbursement Guidelines for Investment Project Financing dated February 2017**

Payments Made during Reporting Period  
Against Contracts Subject to the Association's Prior Review

Contract Number	Supplier	Contract Date	Contract Amount	Date of Association's Non Objection to Contract	Amount Paid to Supplier during Period	Association's Share of Amount Paid to Supplier during Period

**Statement of Expenditures (SOE)**

Payments made during the period from \_\_\_\_\_ to \_\_\_\_\_

Date: \_\_\_\_\_  
 Application No.: \_\_\_\_\_  
 IDA Grant No.: \_\_\_\_\_ D- \_\_\_\_\_  
 Category No. : \_\_\_\_\_  
 SOE No.: \_\_\_\_\_

1	2	3	4	5	6	7	8	9	10	11
Item No.	Name and Address of Suppliers	Contract or Purchase order No. & Date (or other ref.)	Brief Description of Goods, Works or Services	Currency and Total Amount of Contract	Total amount invoices covered by application (net of retention)	Elig. %	Invoice Amount Eligible for Financing	Amount Paid From Designated Account (if any)	Date of Payment	Remarks
TOTALS										

Supporting documents for this SOE retained at: \_ (insert location)

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

IDA Grant NUMBER XXXX-TV

ACCOUNT NUMBER \_\_\_\_\_ WITH (BANK) \_\_\_\_\_

- 1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) \$ \_\_\_\_\_
- 2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - \$ \_\_\_\_\_
- 3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = \$ \_\_\_\_\_

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- 4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE \_\_\_\_\_ \$ \_\_\_\_\_
- 5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. \_\_\_\_\_ + \$ \_\_\_\_\_ \*
- 6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: \_\_\_\_\_ + \$ \_\_\_\_\_ \*
- 7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

<u>APPLICATION NO.</u>	<u>AMOUNT *</u>
_____	_____
_____	_____

- SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + \$ \_\_\_\_\_
- 8. MINUS: INTEREST EARNED - \$ \_\_\_\_\_ \*
- 9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = \$ \_\_\_\_\_

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

11. DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_  
 TITLE: \_\_\_\_\_

\* ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENT



**Form of Authorized Signatory Letter**

[Letterhead]

Ministry of Finance and Economic Development

[Street address]

[City] [Country]

[DATE]

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

Attention: Country Director

**Re: TUVALU: IDA Grant No. XXXX-TV  
Additional Financing For the Pacific Aviation Investment Program -  
Tuvalu Aviation Investment Project**

I refer to the Financing Agreement (“Agreement”) between TUVALU (the “Recipient”) and the International Development Association (the “Association”), dated \_\_\_\_\_, providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any <sup>1</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal and applications for a special commitment under this Financing.

For the purpose of delivering Applications to the Association, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting <sup>3</sup>[individually] <sup>4</sup>[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

<sup>5</sup>[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

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<sup>1</sup> 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 Association.*

<sup>2</sup> 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 Association.*

<sup>3</sup> 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 Association.*

<sup>4</sup> 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 Association.*

the Association by electronic means. In full recognition that the Association shall rely upon such representations and warranties, including without limitation, 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 Association that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position]                      Specimen Signature: \_\_\_\_\_

[Name], [position]                      Specimen Signature: \_\_\_\_\_

[Name], [position]                      Specimen Signature: \_\_\_\_\_

Yours truly,

/ signed /

\_\_\_\_\_  
[Position]

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<sup>5</sup> Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the Association.*

**FOR INTERNAL DISTRIBUTION ONLY**

Prepared by: Tony Shen (WFALN)

Cleared with and bcc: Duangrat Laohapakakul / Loren Atkins (LEGES)  
Nora Weisskopf (GTI02)

Cc: Stephen Paul Hartung (GGO2)