

# OFFICIAL DOCUMENTS



**THE WORLD BANK**  
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19<sup>TH</sup> JULY, 2017

Hon. Peter O'Neill  
Prime Minister and Acting Minister for Treasury  
Department of Prime Minister and NEC  
Manasupe Haus Level 8  
PO BOX 639 Waigani 131 NCD  
Papua New Guinea

**Re: IDA Financing 6067-PG  
(Emergency Tuberculosis Project)  
Additional Instructions: Disbursement**

Dear Honorable Prime Minister:

I refer to the Financing Agreement (“Agreement”) between the Independent State of Papua New Guinea (“Recipient”) and the International Development Association (“Association”) for the above-referenced Project, dated 19<sup>TH</sup> JULY, 2017. The Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Financing No.6067-PG (“Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“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 Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in the Financing Agreement.

## **II. Withdrawal of Financing Proceeds**

**(i)** Applications for this Financing will be signed by the official(s) authorized to sign Applications as indicated in the letter signed by Hon. Patrick Pruaitch, Minister of Treasury on April 30, 2014 as amended by the letter dated July 7, 2015 also signed by Hon. Patrick Pruaitch.

**(ii) Applications (subsection 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  
26<sup>th</sup> Floor, One Global Place  
5<sup>th</sup> Avenue cor 25<sup>th</sup> Street, Bonifacio Global City  
Taguig City, Philippines 1634

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 (subsection 3.2).** 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 2; 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 special commitment is PGK 20,000.

**(vi) Advances (sections 5 and 6).**

- **Type of Designated Account (subsection 5.3):** Segregated. One segregated designated account will be established for the Project and managed by the National Department of Health.
- **Currency of Designated Account (subsection 5.4):** PNG Kina (PGK).
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** a financial institution acceptable to the Association.
- **Ceiling (subsection 6.1):** PGK 200,000.

### 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:**
  - Statement of Expenditure in the form attached (Attachment 3).
- **For reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditure in the form attached (Attachment 3); and
  - Designated Account Reconciliation Statement (Attachment 4) and related bank statements.
- **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 frequent if needed.

#### IV. Other Disbursement Instructions

No advance to the Designated Account will be made until the lapsed loan is resolved.

#### V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Association's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <http://clientconnection.worldbank.org>. Print copies are available upon request.

If you have not already done so, the Association recommends that you register as a user of the Client Connection website (<http://clientconnection.worldbank.org>). From this website you will be able to download 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 the Association's Loan Department by sending an email to [WFALN MANILA@worldbank.org](mailto:WFALN MANILA@worldbank.org) and indicating the IDA Financing No. and the name of the Project in the subject line.

Yours sincerely,



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

#### Attachments

- NA1. Disbursement Guidelines for Investment Project Financing, dated February 2017
- NA2. Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to
- NA3. Process Applications and Supporting Documentation, dated March 1, 2013
- NA4. Form of Statement of Expenditures
- NA5. Designated Account Reconciliation Statement

Cc with copies: National Department of Health  
Post Office Box 807, WAIGANI  
Port Moresby, National Capital District  
Papua New Guinea