Hon. Ian Ling-Stucky, MP  
Minister for Treasury  
Department of Treasury  
Vulupindi Haus 10th floor  
P.O. Box 542  
Waigani, 131 NCD  
Papua New Guinea

Dear Minister,

IDA Credit Number 6614-PG  
(Papua New Guinea COVID-19 Emergency Response Project)  
Additional Instructions: Disbursement and Financial Information Letter

I refer to the Financing Agreement between the Independent State of Papua New Guinea (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time to time request withdrawals of IDA Credit No. 6614-PG (“Credit”), in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Credit Funds, and Reporting of Uses of Credit Funds.


(i) Disbursement Arrangements

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, and conditions, 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.

- **Special Provision.** Projects in situations of urgent need of assistance or capacity constraints: Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.
(ii) **Electronic Delivery.** Section 11.01 (c) of the General Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Association’s web-based portal “Client Connection” at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the 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 Association by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations), and which were previously agreed with the Association. 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 must 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 must 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 must be furnished to the Association not later than six (6) months after the end of such period.

III. **Other Information.**

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s website (http://www.worldbank.org/) 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 Credit, 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 Association by email at AskLoans@WorldBank.org using the above reference.

Sincerely,

Michel Kerf  
Country Director  
Papua New Guinea & Pacific Islands  
East Asia and Pacific Region
Attachments
1. Statement of Expenditure (SOE)
2. Form of Authorized Signatory Letter

With copies:
Department of Treasury
P.O. Box 542
Waigani, National Capital District, Papua New Guinea
dairi_vele@treasury.gov.pg

Department of Treasury
P.O. Box 542
Waigani, National Capital District, Papua New Guinea
treasury_enquiries@treasury.gov.pg

National Department of Health
P.O. Box 807
Waigani, National Capital District, Papua New Guinea
paison_dakulala@health.gov.pg
### Schedule 1: Disbursement Provisions

#### Basic Information

<table>
<thead>
<tr>
<th>IDA Credit Number</th>
<th>6614-PG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Independent State of Papua New Guinea</td>
</tr>
<tr>
<td>Closing Date</td>
<td>Section III.B.2 of Schedule 2 to the Financing Agreement.</td>
</tr>
<tr>
<td>Recipient</td>
<td>Department of Treasury</td>
</tr>
<tr>
<td>Name of the Project</td>
<td>Papua New Guinea COVID-19 Emergency Response Project</td>
</tr>
<tr>
<td>Disbursement Deadline Date</td>
<td>Four (4) months after the closing date.</td>
</tr>
</tbody>
</table>

#### Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditures (Attachment 1)</td>
</tr>
<tr>
<td>Advance</td>
<td>Yes</td>
<td>Statement of Expenditures (Attachment 1)</td>
</tr>
<tr>
<td>Special Commitments (including UN Commitments)</td>
<td>Yes</td>
<td>Copy of Letter of Credit</td>
</tr>
</tbody>
</table>

#### Designated Account (Sections 5 and 6 ***)

<table>
<thead>
<tr>
<th>Type</th>
<th>Segregated; one (1) segregated designated accounts will be established for the Project.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceiling</td>
<td>Fixed</td>
</tr>
<tr>
<td>Financial Institution - Name</td>
<td>A commercial bank or financial institution acceptable to the Association.</td>
</tr>
<tr>
<td>Currency</td>
<td>PGK</td>
</tr>
<tr>
<td>Frequency of Reporting Subsection 6.3 (***)</td>
<td>Quarterly or more often if needed</td>
</tr>
<tr>
<td>Amount</td>
<td>200,000</td>
</tr>
</tbody>
</table>

#### Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is PGK 20,000 equivalent.

#### Authorized Signatures (Subsection 3.1 and 3.2 ***)

Applications for this Credit will be signed by the officials authorized to sign Applications as indicated in the Authorized Signatory Letter dated January 8, 2019. Please notify the Association should there be any change in the authorized officials in this regard, and a standard template is attached for reference (Attachment 2) and send the revised Authorized Signatory Letter to the address indicated below:
Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **) 

Withdrawal Applications (WA) and supporting documentation are to be sent electronically via the Association’s secured website Client Connection. For WAs in paper form, together with supporting documents, please submit to the address indicated below:

The World Bank  
26th Floor, One Global Place  
5th Avenue cor 25th Street, Bonifacio Global City  
Taguig City, Philippines 1634  

Attention: Loan Department

Other Disbursement Instructions

1. Given the urgent nature of the Project, exceptional approval of the use of Advance disbursement method and designated account under the Project is granted, in spite of currently outstanding issue of lapsed loans.

2. Payments against contracts to be entered between the Recipient and the UN agency under the Project may be made through the UN Commitment disbursement mechanism, or other disbursement methods stipulated in such contracts. UN commitments are issued by the Association at the request of the Recipient and subsequent payments and documentation of expenditures by the Association are based on the agreement between the Recipient and UN agency, and the UN commitment letter.

3. This DFIL may not be fully adapted to the disbursement of funds allocated from time to time to Category (2) of the disbursement table included in Section III.A of Schedule 2 to the Financing Agreement. The Disbursement and Financial Information Letter will be revised, if needed, when funds are allocated to Category (2) of the disbursement table.

** Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.
Attachment 1 – Statement of Expenditures

### Statement of Expenditures (SOE)

**Payment made during the period from**

**to**

(The following expenditures have incurred during the retroactive financing period (please tick))

Yes  No

(The following expenditures have incurred during before the closing date of the loan/credit/grant (please tick))

Yes  No

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplier’s Name</th>
<th>Brief Description of the expenditure</th>
<th>Prior Review Contract? (YES or NO)</th>
<th>Contract # (Client Connection # for Prior Review contracts)</th>
<th>Contract currency &amp; amount (original + amendments)</th>
<th>Invoice number</th>
<th>Date of payment</th>
<th>Total amount of invoice covered by Application (net of exchange)</th>
<th>% Financed by the Bank</th>
<th>Eligible Amount (Col 9 X 10)</th>
<th>Exchange rate</th>
<th>Date of Withdrawal from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account (Col 11 / 12)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Supporting documents for this SOE are retained at:

[insert location]

A separate form should be used for retroactive financing.

A separate form should be used for each category.

<table>
<thead>
<tr>
<th>0.00</th>
<th>0.00</th>
<th>TOTAL 0.00</th>
</tr>
</thead>
</table>
Attachment 2 – Form of Authorized Signatory Letter

[Letterhead]
Department of Treasury
[Street address]
[City] [Country]

[DATE]

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

Attention: Country Director

Re: IDA Credit No. 6614-PG
(Papua New Guinea COVID-19 Emergency Response Project)

I refer to the Financing Agreement (“Agreement”) between the Independent State of Papua New Guinea (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 [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, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

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

________________________________________________________________________

1 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.

2 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.

3 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.

4 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.

5 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.
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 /

_______________