Financing Agreement
(Pathway to Sustainable Oceans Project)

between

KINGDOM OF TONGA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between KINGDOM OF TONGA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to seven million two hundred thousand Special Drawing Rights (SDR 7,200,000) ("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 April 15 and October 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. To this end, the Recipient shall carry out the Project through the Ministry of Fisheries in
accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, that having already met the conditions set out under Section III.B.1(b) of Schedule 2 to this Agreement, the Recipient further amends, suspends, abrogates, repeals or waives its fisheries laws and regulations in a manner that is inconsistent with Article 73 of the United Nations Convention on the Law of the Sea, or in a manner that would affect materially and adversely the ability of the Recipient to perform any of its obligations under Part 1.2 of the Project.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.02. 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 of obligations) shall terminate is twenty years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister at the time responsible for finance.

6.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

   Ministry of Finance
   St George Government Building
   Vuna Road, PO Box 87
   Nuku’alofa
   Kingdom of Tonga; and

   (b) the Recipient’s Electronic Address is:

   Facsimile: +676 26011
   E-mail: minister@finance.gov.to
6.03. 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; and

(b) the Association’s Electronic Address is:
Facsimile: 1-202-477-6391
E-mail: cdpngpacific@worldbank.org

AGREED as of the Signature Date.

KINGDOM OF TONGA

By: [Signature]

Name: Pohiva Tuiono
Title: MINISTER OF FINANCE
Date: 23 May 2019

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]

Name: Michel Werg
Title: COUNTRY DIRECTOR
Date: 10 MAY 2019
SCHEDULE 1

Project Description

The objective of the Project is to improve management of selected fisheries and aquaculture in the Recipient’s territory.

The Project consists of the following parts:

**Part 1. Strengthening Fisheries Governance**

1.1 Improving fisheries compliance and strengthening licensing and rights-based management for inshore fisheries and fisheries in the Recipient’s territorial sea, by:
   - (a) reviewing and updating the Recipient’s Operational Compliance Strategy;
   - (b) reviewing and updating the Recipient’s national plan of action for illegal, unreported and unregulated fishing;
   - (c) undertaking a scoping study into the use of electronic monitoring and electronic reporting in fisheries;
   - (d) undertaking a review of the Recipient’s fisheries observer program including updating the Recipient’s observer manual;
   - (e) undertaking an assessment of options for community engagement in Special Management Areas (“SMA”) compliance activities;
   - (f) establishing a program to identify and register commercial fishers;
   - (g) developing a rights-based fisheries management framework to support the aforementioned commercial fisheries registration program; and
   - (h) providing equipment and facilities to the Ministry of Fisheries to undertake inshore fisheries compliance activities.

1.2 Supporting fisheries monitoring, control and surveillance activities in the Recipient’s exclusive economic zone through the provision of fuel for joint patrols by the Ministry of Fisheries.

**Part 2. Strengthening the Knowledge Base for Fisheries and Aquaculture**

2.1 Conducting monitoring and assessment studies for improving fisheries science for decision making in offshore and inshore commercial fisheries.

2.2 Developing high potential aquaculture technology for mabé pearls and giant clams, by:
   - (a) reviewing and updating the mabé pearl industry development plan;
   - (b) supporting development of the Mabé Pearl Industry Association including strengthening governance, and providing operational support, training, and tools and equipment;
   - (c) upgrading equipment and facilities at the Sopu Mariculture
Centre; and (d) providing training and capacity building of Ministry of Fisheries staff.

2.3 Support the Ministry of Fisheries in strengthening its SMA program, by: (a) reviewing and updating SMA management plans; (b) providing training and capacity building activities to Ministry of Fisheries staff to support improved SMA management and compliance with SMA management plans; (c) providing training and equipment to Coastal Community SMA Management Committees to strengthen SMA management; (d) providing training and support to Ministry of Fisheries staff to improve SMA monitoring and evaluation developing a community based SMA monitoring program; and (e) reviewing and strengthening SMA establishment procedures.

Part 3. Investing in Sustainable Fisheries Management and Development

Supporting sustainable commercial fishery and aquaculture management and development, by: (a) reviewing and updating existing offshore commercial fisheries management plans; (b) developing and implementing an inshore commercial fisheries management plan; (c) developing a code of conduct for responsible fisheries; (d) undertaking a review of aquaculture development plans; (e) developing aquaculture biosecurity measures; (f) conducting aquaculture market analysis to understand requirements and opportunities for growth; (g) developing marketing strategies for domestic operators for offshore tuna longline and deep water snapper fisheries; and (h) developing a master plan and conducting a feasibility study to identify specific fisheries infrastructure needs.

Part 4. Supporting Effective Project Management

Providing technical and operational assistance to: (a) the Project Management Unit on Project management and implementation; and (b) the Ministry of Finance and the Ministry of Fisheries to facilitate inter-agency engagement and cooperation, development partner coordination, and coordination of training and capacity development activities under Parts 1, 2 and 3 of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Project Steering Committee

1. The Recipient shall maintain, until the Closing Date, the Project Steering Committee, with a mandate, composition and resources satisfactory to the Association, which shall be responsible for, *inter alia*, providing general oversight and policy direction of the Project. To this end, the Recipient shall ensure that the Project Steering Committee shall be chaired by its Minister responsible for finance, and comprised of, *inter alia*, the Deputy Prime Minister (or his or her designee), the Minister responsible for fisheries (or his or her designee), other relevant ministers as required, and representatives of relevant stakeholders, including the Central Services Unit.

2. Technical Working Group

The Recipient shall provide technical advice and recommendations to the Project Steering Committee through the Technical Working Group. To this end, the Recipient shall maintain until the Closing Date, the Technical Working Group, chaired by the Minister responsible for fisheries (or such other person which the Association has confirmed in writing to the Recipient as acceptable to the Association), and comprised of the Chief Executive Officer for the Ministry of Fisheries (or his or her designee) who shall act as the deputy chairperson, representatives of relevant stakeholders including the Central Services Unit, and the Project coordinator, and with an institutional framework, functions, and resources satisfactory to the Association as shall be required for the Project.

Central Services Unit

3. The Recipient shall maintain, until the Closing Date, or other such date which the Associate has confirmed in writing to the Recipient as acceptable to the Association, its Central Services Unit within the Ministry of Finance, with a mandate, composition and resources satisfactory to the Association, which shall be responsible for, *inter alia*, supporting the Project Management Unit on
safeguards and fiduciary aspects of Project implementation, monitoring and evaluation, and preparing Project Reports.

**Project Management Unit**

4. The Recipient shall, by not later than two (2) months after the Effective Date (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion) and thereafter maintain, until the Closing Date, a Project Management Unit within the Ministry of Fisheries, with a mandate, composition and resources satisfactory to the Association, which shall be responsible for, *inter alia*, carrying out day-to-day implementation of the Project, with support from the Central Services Unit.

5. Without limitation to the generality of Section I.A.4 above, the Recipient shall ensure that the Project Management Unit includes the following minimum staff and/or personnel: (i) a Project coordinator; (ii) a procurement officer; (iii) a finance officer; (iv) a safeguards and stakeholder engagement officer; and (v) a monitoring and evaluation officer; each with terms of reference, qualifications and experience satisfactory to the Association.

**B. Project Operations Manual**

1. The Recipient shall, by not later than two (2) months after the Effective Date (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion):

   (a) prepare and furnish to the Association for its review and no-objection a Project operations manual, which shall describe, *inter alia* (in each case with detailed arrangements and procedures): (i) the institutional arrangements for day to day execution of the Project; (ii) the preparation and successive updates of the Procurement Plan and its implementation arrangements; (iii) the implementation arrangements for the Safeguards Instruments; (iv) the budgeting, disbursement and financial management arrangements; (v) the Project monitoring, reporting, evaluation and communication arrangements; (vi) the procedures, selection criteria, and maintenance plan requirements for the provision of training and equipment to Coastal Community SMA Management Committees under Part 2.3(c) of the Project; and (vii) any other administrative, financial, technical and organizational arrangements and procedures as shall be
necessary for the implementation of the Project and the achievement of its
development objectives ("Project Operations Manual");

(b) afford the Association a reasonable opportunity to review the proposed
Project Operations Manual; and

(c) adopt the Project Operations Manual as accepted by the Association.

2. The Recipient shall thereafter ensure that the Project is carried out in accordance
with the Project Operations Manual, and the Recipient shall not amend or waive,
or permit to be amended or waived, any provision of the Project Operations
Manual without the Association prior written approval.

3. In the event of any inconsistency between the provisions of the Project Operations
Manual and those of this Agreement, the provisions of this Agreement shall
prevail.

C. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish to the Association, by not later than
February 1 of each subsequent year during the implementation of the Project
(or such other interval or date as the Association may agree), for the Association’s
review and no-objection, an annual work plan and budget (once the Association
has provided its no-objection, an “Annual Work Plan and Budget”), which shall,
inter alia: (a) list all activities (including Operating Costs and Trainings and
Workshops) proposed to be carried out under the Project during the Recipient’s
following fiscal year; (b) provide a budget for their financing (with a financial plan
specifying all sources of financing including the Financing and any other resources
provided by the Recipient); and (c) describe the environmental and social
safeguards measures taken or planned to be taken in accordance with the
provisions of Section I.D of this Schedule 2.

2. The Recipient shall ensure that the Project is implemented in accordance with
the Annual Work Plans and Budgets; provided, however, that in the event of any
conflict between the Annual Work Plans and Budgets and the provisions of this
Agreement, the provisions of this Agreement shall prevail.

3. Any amendment to an Annual Work Plan and Budget needed during the fiscal year
covered by such plan shall be subject to the prior written no-objection of the
Association.
D. **Safeguards**

1. The Recipient shall ensure:

   (a) that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments;

   (b) that, for each activity under the Project for which the Environmental and Social Management Framework ("ESMF") provides for the preparation of an Environmental and Social Management Plan ("ESMP") or a Resettlement Action Plan ("RAP"), the Recipient shall:

      (i) proceed to have such ESMP and/or RAP as required under the ESMF: (A) prepared and disclosed in accordance with the ESMF; (B) consulted upon adequately with people affected by the Project as per the ESMF and ESMP and RAP, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and

      (ii) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP or RAP in a manner satisfactory to the Association;

   (c) that all measures are taken to implement the RAPs in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall ensure that:

      (i) funds are made available to cover all the costs of implementing the RAPs;

      (ii) prior to carrying out activities which involve displacement, Affected Persons are compensated at full replacement cost, resettled and provided with resettlement assistant in accordance with the RAPs, as applicable; and

      (iii) the implementation, monitoring and evaluation of such RAPs is completed and reported in a manner satisfactory to the Association.

2. The Recipient shall ensure that the obligation to comply with the relevant Safeguard Instruments is incorporated: (a) in the contracts between the Recipient and the relevant contractor and any entity (including any engineer) supervising the Project's civil works; and (b) in the contracts between the relevant contractor and the contractors' subcontractors.
3. Except as the Association shall otherwise agree, the Recipient shall ensure that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Safeguards Policies and EHS Guidelines.

5. The Recipient shall ensure that:

(a) all monitoring, control and surveillance activities carried out by the Recipient shall be under the control of a civilian fisheries officer or another civilian agency of the Recipient acceptable to the Association, and shall be carried out under terms of reference limited to fisheries surveillance;

(b) in accordance with Section 5.06 of the General Conditions, all goods, works, services, and Operating Costs for fisheries monitoring, control and surveillance activities financed out of the proceeds of the Financing are used exclusively for the purposes of the Project, and not for any military purpose, or for any criminal investigation, prosecution or proceedings, or for any other purposes unrelated to the objectives of the Project, noting that the Ministry of Fisheries may conduct fisheries-priority joint missions in conjunction with other agencies of the Recipient’s Government for the joint purpose of enforcing the Recipient’s laws regarding border security, and human, drug and wildlife trafficking, in accordance with the provisions of this Section I.D.5 to Schedule 2 of this Agreement;

(c) each surveillance mission carried out by the Recipient shall be governed by detailed protocols prepared in accordance with terms of reference satisfactory to the Association, providing, inter alia, that: (i) the mission is a fisheries-priority mission and the mission task is duly recorded and documented prior and subsequent to the mission; (ii) memoranda of understanding in a form and substance acceptable to the Association are concluded between the agencies involved in the surveillance operations, including both government agencies and any civilian contractors involved; (iii) the accounts of the entities receiving or benefiting from the Financing for such mission are maintained in a manner enabling effective compliance with the provisions of this Section I.D.5 of Schedule 2 to this Agreement; (iv) the mission is conducted by personnel
who have been properly trained in the operation of any equipment used in the surveillance mission; (v) the mission is under the control of an authorized fisheries officer, but subject to the overarching authority of the master of the vessel, in particular with respect to safety and emergency response; and (vi) where a fisheries priority mission is re-tasked for non-fisheries activities, the authorized fisheries officer on board shall record the change and the duration of the change and the responsible agency for the non-fisheries task shall maintain a record of such changes and accounts in a manner acceptable to the Association demonstrating that the resourcing of the non-fisheries task is independent from the Financing, and provide access to the Association or its representatives for audit in accordance with auditing rules acceptable to the Association;

(d) where a patrol or surveillance mission has multiple tasks: (i) accounts are maintained in a manner acceptable to the Association which demonstrate that the Financing has been used for the exclusive purpose of financing fisheries surveillance activities; and (ii) that the Association is granted access to such accounts;

(e) the Recipient shall take all actions needed on its part to ensure that by no later than June 30, 2022, the provisions of Article 73 of the United Nations Convention on the Law of the Sea are incorporated in its fisheries laws and regulations in a form and substance acceptable to the Association, which ensure that: (i) vessels and their crew arrested in the Recipient’s exclusive economic zone shall be promptly released upon the posting a reasonable bond or other security; (ii) penalties imposed by the Recipient for violations of fisheries laws and regulations in the Recipient’s exclusive economic zone may not include imprisonment, in the absence of agreements to the contrary by the states concerned, or any other form of corporal punishment; and (iii) in cases of arrest or detention of foreign vessels, the Recipient shall promptly notify the flag state, through appropriate channels, of the action taken and of any penalties subsequently imposed.

6. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall:

(a) take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Reports, and promptly in a separate report whenever the Association may require, information on the status of compliance with the Safeguards Instruments, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguards Instruments; and (iii) corrective
and preventive measures taken or required to be taken to address such conditions;

(b) promptly furnish to the Association a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and

(c) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers.

7. The Recipient shall maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

Project Report

1. 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.

Mid-Term Review

2. The Recipient shall carry out, jointly with the Association, not later than three (3) years after the Effective Date, or such other period as may be agreed with the Association, a mid-term review of the Project ("Mid-Term Review") to assess the status of Project implementation, as measured against Project indicators acceptable to the Association, and compliance with the legal covenants included or referred to in this Agreement. Such review shall include an assessment of the following: (a) overall progress in implementation; (b) results of monitoring and evaluation activities; (c) progress on procurement and disbursement; (d) progress on implementation of safeguards measures; (e) implementation arrangements and Project staff turnover; and (f) the need to make any adjustments to the Project to improve performance. To this end, the Recipient shall:
prepare and furnish to the Association, at least one (1) month before the
date of the Mid-Term Review, a report, in scope and detail satisfactory to
the Association and integrating the results of the monitoring and
evaluation activities performed pursuant to Section II.1 of this Schedule 2
and the General Conditions, on the progress achieved in the carrying out
of the Project during the period preceding the date of such report and
setting out the measures recommended to ensure the efficient carrying out
of the Project and the achievement of the objectives thereof; and

review, jointly with the Association, the report referred to in the preceding
paragraph and thereafter take all measures required to ensure the efficient
completion of the Project and the achievement of the objectives thereof,
based on the conclusions and recommendations of such report and the
Association’s views on the matter.

Section III. **Withdrawal of the Proceeds of the Financing**

A. **General**

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: (a) finance Eligible
Expenditures; and (b) repay the Preparation Advance in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consulting services, Operating Costs, and Training and Workshops under Parts 1.1, 2, 3, and 4 of the Project</td>
<td>7,170,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Operating Costs under Part 1.2 of the Project</td>
<td>15,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>15,000</td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>7,200,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

   (a) for payments made prior to the Signature Date; or

   (b) under Category (2) unless and until the Association is satisfied that the Recipient’s fisheries laws and regulations are consistent with the provisions of Article 73 of the United Nations Convention on the Law of the Sea in accordance with Section I.D.5(e) of Schedule 2 to this Agreement.

2. The Closing Date is April 30, 2025.
APPENDIX

Definitions

1. “Affected Person” means a person or entity 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 of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and, “Affected Persons”, means more than one such Affected Person.

2. “Annual Work Plan and Budget” means an annual work plan and budget for the implementation of the Project accepted by the Association, referred to in Section I.C of Schedule 2 to this Agreement; and “Annual Work Plans and Budgets” means, collectively, all such plans and budgets.

3. “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.

4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

5. “Central Services Unit” means the Central Services Unit, established by the Recipient within the Ministry of Finance under the Skills and Employment for Tongans Project financed by the Association, referred to in Section I.A.3 of Schedule 2 to this Agreement.

6. “Coastal Community SMA Management Committee” means the committee responsible for managing a SMA, as detailed in that SMA’s SMA management plan and appointed in accordance with Sections 6 and 8 of the Recipient’s Fisheries (Coastal Communities) Regulations 2009 and its amendments.


8. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s Environmental and Social Management Framework prepared and
adopted by the Recipient dated December, 2018, disclosed in-country on February 15, 2019, and the Association’s website on February 15, 2019, setting out: (a) the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities including impacts on natural habitat, forests, and physical cultural resources, pest management and the measures to be taken to offset, reduce or mitigate such adverse impacts; (b) the resettlement policy framework which sets out the resettlement principles, organizational arrangements (including consultation and budget), and design criteria to be applied to resettlement related Project activities to be prepared during Project implementation; and (c) the modalities to be followed in for the preparation of ESMPs and RAPs, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

9. “Environmental and Social Management Plan” or “ESMP” means any plan prepared by the Recipient in accordance with the ESMF, satisfactory to the Association, which details (a) the measures to be taken during the implementation and operation of the Project to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues), or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as said instrument may be amended from time to time with the Association’s prior written agreement.


11. “Mabé Pearl Industry Association” means the Tonga National Pearl Farmers Association, registered as a not for profit society in accordance with the Recipient’s Incorporated Societies Act 1984, (Society No. 604) as of November 2015.

12. “Mid-Term Review” shall have the meaning ascribed to it in Section II.2 of Schedule 2 to this Agreement.

13. “Ministry of Finance” means the Recipient’s ministry responsible for finance, or any successor thereto.

14. “Ministry of Fisheries” means the Recipient’s ministry responsible for fisheries, or any successor thereto.

15. “Ministry of Internal Affairs” means the Recipient’s ministry responsible for internal affairs, or any successor thereto.

16. “Operating Costs” means reasonable expenditures incurred by the Recipient on account of Project implementation and management (which expenditures would
not have been incurred absent of the Project) and included in the Annual Work Plans and Budgets accepted by the Association, including the Recipient’s staff travel costs, allowances, costs of vehicle rental, fuel and maintenance, bank charges, communications costs, office supplies and equipment, office rental fees, advertising expenses, utilities and consumables required for holding meetings related to the Project, but excluding salaries, fees, honoraria, bonuses and any other salary supplements of civil servants of the Recipient.

17. “Operational Compliance Strategy” mean’s the Ministry of Fisheries’ document titled ‘Operational Compliance Strategy’ designed to support the Ministry of Fisheries’ compliance goals and in accordance with its National Plan of Action for Illegal Unreported and Unregulated Fishing.

18. “Preparation Advance” means the portion of the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on May 16, 2018 and on behalf of the Recipient on May 24, 2018.


20. “Project Management Unit” means the Recipient’s unit to be established in the Ministry of Fisheries in accordance with Section I.A.4 of Schedule 2 to this Agreement.

21. “Project Operations Manual” means the Recipient’s manual, referred to in Section I.B.1 of Schedule 2 to this Agreement, in form and substance satisfactory to the Association, to be adopted by the Recipient in accordance with the provisions of said Section; as said manual may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to the manual.

22. “Project Steering Committee” means the Recipient’s committee established pursuant to Cabinet Decision No 822 dated September 21, 2018, as described in Section I.A.1 of Schedule 2 to this Agreement.

23. “Resettlement Action Plan” or “RAP” means any resettlement action plan or abbreviated resettlement action plan prepared and adopted by the Recipient in accordance with the ESMF, satisfactory to the Association, and disclosed on the Association’s website, which includes the principles, procedures, organizational arrangements and budget to implement the resettlement related activities under the Project, or under parts of the Project, as said resettlement action plan or abbreviated resettlement action plan may be revised from time to time with the prior written agreement of the Association; and “RAPs” means, collectively, all such RAPs.
24. “Safeguard Instruments” means collectively, the ESMF and any ESMP or RAP, and “Safeguard Instrument” means any of such Safeguards Instruments.

25. “Safeguard Policies” means, the Operational Policies (OPs) and Bank Procedures (BPs) of the Bank, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at https://policies.worldbank.org.

26. “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.

27. “Sopu Mariculture Centre” means the Ministry of Fisheries’ Sopu Mariculture Centre located near Nuku’alofa on Tongatapu island.

28. “Special Management Area” and its acronym “SMA” means an area designated as a Special Management Area in accordance with Sections 13, 14 and 15 of the Recipient’s Fisheries Management Act (No. 26 of 2002).

29. “Technical Working Group” means the Recipient’s technical working group committee for the Project, established pursuant to Cabinet Decision No. 822 dated September 21, 2018, as described in Section I.A.2 of Schedule 2 to this Agreement.

30. “Trainings and Workshops” means the reasonable costs incurred by the Recipient, and included in the Annual Work Plans and Budgets accepted by the Association, for trainings and workshops carried out under the Project, including purchase, translation and publication of materials, rental of facilities, course fees, workshop supplies, rental of equipment, reasonable honorarium/stipend of resource persons, and travel, accommodation and subsistence of participants, but excluding fees of consultants and civil servants.

31. “United Nations Convention Law of the Sea Treaty” or “UNCLOS” means the international treaty which came into force on November 16, 1994 and provides a regulatory framework for the use of the world’s seas and oceans, *inter alia*, to ensure the conservation and equitable usage of resources and the marine environment and to ensure the protection and preservation of the living resources of the sea.