February 17, 2014

The Honorable Dr. ‘Aisake Eke
Minister of Finance
Ministry of Finance and National Planning
Vuna Road
P.O. Box 87, Nuku’alofa
KINGDOM OF TONGA

Dear Honorable Minister,

Kingdom of Tonga: Transport Sector Consolidation Project (Grant No. H416-TO)
Fourth Amendment to Financing Agreement

We refer to the Financing Agreement of July 17, 2008, as amended to date, between the Kingdom of Tonga (the “Recipient”) and the International Development Association (the “Association”), for the above-mentioned Project. We refer also to the letter on behalf of the Recipient dated January 30, 2014, requesting the restructuring of the Project to assist with some emergency reconstruction works under the Project.

We are pleased to inform you that the Association concurs with your request and hereby proposes to delete Part B of Schedule 1 to the Financing Agreement and replace it with the following:

"Part B: Compliance with Mandatory Safety and Security Standards

Carrying out reviews and strategic interventions to respond to and meet mandatory safety and security standards required under international agreements, treaties, and obligations through:

(i) reviewing and analyzing current primary aviation legislation, regulatory framework, and technical guidance, and providing recommendations for the strengthening and regulatory oversight of the aviation sector;

(ii) installation of navigational aids and equipment at airports in the Recipient’s territory;

(iii) replacement of one or more firefighting tenders at airports in the Recipient’s territory;

(iv) replacement of security (x-ray screening) equipment and emergency power equipment at airports in the Recipient’s territory.

(v) carrying out works to improve ferry terminals including lighting and navigational equipment;

(vi) a road safety audit;

(vii) carrying out works and procurement of goods to improve maritime safety;
(viii) construction of one or more rescue fire stations at airports in the Recipient’s territory;

(ix) carrying out works and procurement of goods to improve security at airports in the Recipient’s territory; and

(x) training and procurement of goods to improve environmental management and supervision by the Recipient."

Except as specifically indicated in this Letter of Amendment, all terms and conditions of the Financing Agreement otherwise remain in full force and effect.

Please confirm the Recipient’s agreement to the foregoing by countersigning and dating both enclosed copies of this letter in the space provided and returning one fully signed copy to us. This Amendment will become effective on as of the date of countersignature upon our receipt of the countersigned amendment letter.

Sincerely,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By Franz R. Drees-Gross
Country Director
Timor-Leste, Papua New Guinea & Pacific Islands
East Asia and Pacific Region

AGREED:

KINGDOM OF TONGA

By: [Signature]
Authorized Representative

Name: [Signature]
Title: Minister of Finance
Date: 5 March 2014