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**GRANT NUMBER D452-MH**

# **Financing Agreement**

**(Marshall Islands Maritime Investment Project)**

**between**

**REPUBLIC OF THE MARSHALL ISLANDS**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF THE MARSHALL ISLANDS (“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 twenty three million seven hundred thousand Special Drawing Rights (SDR 23,700,000) (“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 Parts 1, 2.1 through 2.4(a)-(d), 3.1, 3.2, 3.3, 3.4, 3.5, 3.7, 3.8, and 3.9 through the RMI Ports Authority, Part 2.4(e) through the Ministry of Justice, Immigration and Labor, Parts 3.6 and 3.7 through the Ministry of Finance, and Part 4 through the National Disaster Management Office, all 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The Additional Event of Suspension is that the RMI Ports Authority Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the RMI Ports Authority to implement the RMI Ports Authority's Respective Part of the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 obligations) shall terminate is twenty (20) years after the Signature Date.

### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is the 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  
P.O. Box D  
Majuro  
Republic of the Marshall Islands 96960; and

(b) the Recipient's Electronic Address is:

E-mail:  
finsec@rmimof.com

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

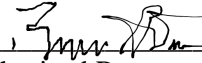
(b) the Association's Electronic Address is:

Facsimile:	E-mail:
1-202-477-6391	cdpngpacific@worldbank.org

AGREED as of the Signature Date.

**REPUBLIC OF THE MARSHALL ISLANDS**

By



\_\_\_\_\_  
Authorized Representative

Name: Bernson S. Wase

Title: Minister of Finance Banking and Postal Services

Date: 30-Jun-2019

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By



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Authorized Representative

Name: Michel Kerf

Title: Country Director, PNG & Pacific Islands

Date: 30-May-2019



## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve the safety, efficiency and climate resilience of maritime infrastructure and operations in the Recipient's territory, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

The Project consists of the following parts:

#### **Part 1: Maritime Infrastructure**

Undertaking rehabilitation and upgrading activities of the Recipient's maritime ports, with such activities to be informed by the maritime infrastructure needs assessment to be undertaken in accordance with Part 3.1 of the Project and the strategic plans to be developed under Part 3.4 of the Project and selected by the Project Steering Committee in accordance with the criteria and procedures detailed in the Project Operations Manual, including:

- 1.1 Repairing and upgrading the pavement at container and cargo yards, including hardening and installing adequate drainage at Delap Dock.
- 1.2 Repairing and upgrading the berth and facilities at Uliga Dock, including:  
(a) constructing a new port control tower and installation of new communications equipment at Uliga Dock; (b) installing pilot boat hoist system; and (c) providing and installing floating pontoons.
- 1.3 Repairing and upgrading existing facilities on the main docks on Arno, Jaluit and Wotje islands.
- 1.4 Providing cargo handling equipment for Delap Dock and Uliga Dock.

#### **Part 2: Maritime Safety and Security**

- 2.1 Repairing and upgrading the existing berth and facilities infrastructure at Delap Dock, Uliga Dock, and Ebeye Matson Container Dock, with such activities to be informed by the safety and security needs assessment to be developed under Part 3.1 of the Project and selected by the Project Steering Committee in accordance with the criteria and procedures detailed in the Project Operations Manual, including: (a) repairing and upgrading quay wall structures; and (b) upgrading or

providing new quay furniture, including bollards, ladders, curbs, and fenders, as required.

- 2.2 Upgrading of security equipment at Ebeye Matson Container Dock, Delap Dock and Uliga Dock for compliance with the International Ship and Port Facility Security Code, including barriers, lighting, generators and security systems.
- 2.3 Replacing and upgrading aids to navigation required for access to Majuro and outer islands but excluding Ebeye, as identified in the safety and security needs assessment to be undertaken under Part 3.1 of the Project and selected by the Project Steering Committee in accordance with the criteria and procedures detailed in the Project Operations Manual.
- 2.4 Undertaking safety and security improvements, including: (a) providing backup generators for Delap Dock and Ebeye Matson Container Dock; (b) conducting a needs assessments for a security scanner at Delap Dock; (c) providing spill kits for Delap Dock, Uliga Dock, Ebeye Matson Container Dock, and boom containment systems for Delap Dock and Ebeye Matson Container Dock; (d) providing search and rescue equipment and safety devices to the RMI Ports Authority; (e) supporting and elevating awareness and prevention of human trafficking and gender-based violence to address potential risks and impacts of the Project by: (i) conducting a needs assessment on trafficking and gender-based violence to identify the availability of services; (ii) conducting training activities for Project workers; (iii) conducting community awareness raising activities; (iv) supporting trafficking and gender-based violence survivors through the provision of counselling, healthcare, and police focal points; and (v) establishing a referral pathway for trafficking and gender-based violence survivors.

### **Part 3: Technical Assistance for Port Planning and Project Management**

- 3.1 Undertaking a maritime safety and security and maritime infrastructure needs assessment.
- 3.2 Preparing climate resilient designs and supervising works for activities under Parts 1 and 2 of the Project.
- 3.3 Reviewing institutional and governance arrangements of the operation and management of the Recipient's ports, and developing recommendations to strengthen such arrangements.
- 3.4 Preparing strategic plans for port operations, and developing maintenance plans for the Recipient's ports.

- 3.5 Conducting training and capacity development activities to strengthen the Recipient's capacity to operate and regulate the maritime sector, including search and rescue awareness, security, and International Ship and Port Facility Security Code compliance.
- 3.6 Conducting an assessment and analysis of options for improving the management, governance and operation of the Recipient's shipping and corporate registries.
- 3.7 Providing technical and operational assistance to the Ministry of Finance and the RMI Ports Authority on Project implementation and management.
- 3.8 Developing and implementing policies and programs to enable employment opportunities for women in the maritime sector.
- 3.9 Providing technical assistance to strengthen Recipient's capacity to address emerging priority issues that may impair the Recipient's capacity to manage a safe, efficient, and climate resilient maritime sector.

#### **Part 4: Contingent Emergency Response Component**

Providing immediate response to an Eligible Crisis or Emergency, as needed.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

###### Project Steering Committee

1. The Recipient shall provide oversight, coordination, and support for Project implementation through the Project Steering Committee in accordance with the provisions of this Agreement and the Project Operations Manual.
2. To this end, the Recipient shall establish, within three (3) months of the effective date and thereafter maintain until the Closing Date, the Program Steering Committee, chaired by its Executive Director of the RMI Ports Authority (or such other person which the Association has confirmed in writing to the Recipient as acceptable to the Association), comprised of *inter alia*; the Secretary (or their representative) of the Ministry of Finance; the Secretary (or their representative) of the Ministry of Transport and Communications; a representative from the Ministry of Justice, Immigration and Labor; the Secretary (or their representative) of the Ministry of Cultural and Internal Affairs, and in the event that contingent emergency response activities under the Emergency Response Part are implemented, the Director of the National Disaster Management Office, and with an institutional framework, functions, and resources satisfactory to the Association as shall be required for the Project.

###### Ministry of Finance

3. To facilitate the carrying out of the Project, the Recipient shall maintain, until the Closing Date, the following minimum key staff within the Ministry of Finance, each with terms of reference, qualifications and experience satisfactory to the Association: (a) procurement specialist; (b) a financial management specialist; (c) a safeguards specialist; and (d) other specialists as required for the Project.

###### Project Implementation Unit

4. The Recipient shall, no later than three (3) months after the Effective Date, establish and thereafter maintain until the Closing Date, a Project Implementation Unit within the RMI Port Authority, with mandate, composition and resources satisfactory to the Association, which shall be responsible for day to day implementation of the Project. Without limitation to the generality of the

foregoing, the Project Implementation Unit shall be headed by a Project manager, with terms of reference, qualifications and experience satisfactory to the Association, and shall include the following minimum key staff, or be supported by specialists from the Ministry of Finance, each with terms of reference, qualifications and experience satisfactory to the Association, in the following roles: (i) a financial management specialist; (ii) a procurement specialist; (iii) a safeguards specialist; (iv) monitoring and evaluation specialist; and (v) communications specialist.

**B. Project Operations Manual**

1. The Recipient shall prepare and adopt, by no later than three (3) months after the Effective Date, a manual (“Project Operations Manual”), in form and substance acceptable to the Association, setting forth the arrangements and procedures for implementation of the Project, including: (a) the institutional arrangements for day to day execution of the Project; (b) the arrangements for the implementation of the Safeguards Instruments; (c) budgeting, disbursement, and financial management arrangements; (d) procurement arrangements; (e) Project monitoring, reporting, and evaluation arrangements; (f) performance indicators for the Project; (g) terms and conditions, including maintenance and insurance requirements, to be included in all lease agreements for the use of cargo handling equipment provided under Part 1.4 of the Project; (h) details and governance arrangements for programs to be implemented under Part 3.8 of the Project; and (i) detailed arrangements and procedures for the Project grievance redress mechanism.
2. The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Project Operations Manual.
3. The Recipient shall obtain from the Association written agreement prior to assigning, amending, abrogating, or waiving the Project Operations Manual, or any provision thereof, or permitting any entity participating in the implementation of the Project to do so.
4. In the event of any conflict between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Contingent Emergency Response**

1. Prior to the implementation of contingent emergency response activities under Part 4 of the Project (“Emergency Response Part”), the Recipient shall:

- (a) prepare and furnish to the Association for its review and approval, a Contingent Emergency Response Component Project Operations Manual (“CERC POM”), which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of the Emergency Expenditures; (vi) application of any relevant Safeguards Instruments to the Emergency Response Part; and (vii) any other arrangements for the coordination and implementation of the Emergency Response Part;
  - (b) afford the Association a reasonable opportunity to review the proposed CERC POM;
  - (c) promptly adopt the CERC POM for the Emergency Response Part as shall have been accepted by the Association;
  - (d) ensure that the Emergency Response Part is carried out in accordance with the CERC POM; provided, however, that in the event of any inconsistency between the provisions of the CERC POM and this Agreement, the provisions of this Agreement shall prevail; and
  - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC POM without prior written approval by the Association.
2. The Recipient shall not undertake any activity under the Emergency Response Part, unless and until the following conditions have been met in respect of said activities:
- (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
  - (b) the Recipient has ensured the preparation and disclosure of all Safeguards Instruments as may be required for said activities in accordance with the provisions of Section I.E of this Schedule 2 and the CERC POM, the Association has approved all such instruments, and the Recipient has

ensured the implementation of any actions which are required to be taken under said instruments;

- (c) the Recipient has ensured that the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of the CERC POM, for the purposes of said activities; and
- (d) the Recipient has adopted the CERC POM, in form and substance acceptable to the Association, and the provisions of the CERC POM remain up to date, or have been updated in accordance with the provisions of this Section I.E so as to provide detailed arrangement and procedures needed for the implementation of the Emergency Response Part.

#### **D. Annual Work Plans and Budgets**

1. The Recipient shall prepare and furnish to the Association not later than:
  - (a) four (4) months after the Effective Date (or such later date as the Association may agree); and
  - (b) August 31 of each year for every subsequent year during the implementation of the Project (or such later 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 Trainings and Workshops and activities incurring Operating Costs) 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.E 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.

**E. Safeguards.**

1. The Recipient shall ensure that:
  - (a) the Project is carried out with due regard to appropriate health, safety, social, and environmental practices and standards, and in accordance with the Safeguards Instruments;
  - (b) any contracts for civil works under the Project include codes of conduct in form and substance acceptable to the Associate detailing measures on environmental, health and safety and preventing gender-based violence; and
  - (c) 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”):
    - (i) proceed to have such ESMP: (A) prepared and disclosed in accordance with the ESMF; (B) consulted upon adequately with people affected by the Project as per the ESMF, 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 in a manner satisfactory to the Bank;
2. Except as the Association shall otherwise agree in writing, the Recipient shall ensure that none of the provisions of the Safeguard Instruments be 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.
3. 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.
4. 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.
5. The Recipient shall maintain, until the Closing Date, 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 one month after the end of each calendar semester, covering the calendar semester.

### 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:

- (a) 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
- (b) 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:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Operating Costs, and Training and Workshops for Parts 1, 2, and 3 of the Project	22,620,000	100%
(2) Emergency Expenditures under Part 4 of the Project	0	100%
(3) Refund of Preparation Advance	1,080,000	Amount payable pursuant to Section

		2.07 (a) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>23,700,000</b>	

**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, except that withdrawals up to an aggregate amount not to exceed SDR 330,000 may be made for payments made prior to this date but on or after March 1, 2019, for Eligible Expenditures under Category (1); or
  - (b) for Emergency Expenditures under Category (2), unless and until the Association is satisfied that all of the conditions listed in Section I.C.2 of this Schedule 2 have been met in respect of said expenditures.
2. The Closing Date is August 1, 2024.



## APPENDIX

### Definitions

1. “Annual Work Plan and Budget” means each annual work plan and budget (including related cash forecasts) for the implementation of the Project approved by the Association, referred to in Section I.D of Schedule 2 to this Agreement; and “Annual Work Plans and Budgets” means, collectively, all such plans and budgets.
2. “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.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Contingent Emergency Response Component Project Operations Manual” or its acronym “CERC POM” means the manual referred to in Section I.C.1 of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part 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.
5. “Delap Dock” means the maritime port that receives international cargo vessels, located in Majuro in the Recipient’s territory.
6. “Ebeye Ferry Dock” means, the Ferry Dock at the maritime port located in Ebeye, Kwajalein Atoll in the Recipient’s territory.
7. “Ebeye Fishing Dock” means, the Fishing Dock at the maritime port located in Ebeye, Kwajalein Atoll in the Recipient’s territory.
8. “Ebeye Matson Container Dock” means the Matson Container Dock at the maritime port located in Ebeye, Kwajalein Atoll in the Recipient’s territory.
9. “EHS Guidelines” means the World Bank Group Environmental, Health and Safety Guidelines published on [www.ifc.org/ehsguidelines](http://www.ifc.org/ehsguidelines), as said guidelines are updated from time to time.
10. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

11. “Emergency Expenditure” means any of the eligible expenditures set forth in the CERC POM in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, and included in the Emergency Response Part.
12. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 4 of the Project.
13. “Environmental and Social Management Framework” or “ESMF” means the *Republic of the Marshall Islands Maritime Investment Project (MIMIP) Environmental and Social Management Framework and Environmental and Social Management Plan*, as prepared and adopted by the Recipient satisfactory to the Association, dated March 19, 2019, disclosed in-country, and the Association’s website on March 19, 2019, which:

- (a) is inclusive of the Project stakeholder engagement plan;
- (b) sets out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of Project activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects’ risks and impacts; and
- (c) sets out the principles, rules, guidelines and procedures for the preparation of environmental and social management plans;

as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

14. “Environmental and Social Management Plan” or “ESMP” means any plan prepared in accordance with the ESMF which details; (i) the measures to be taken during the implementation 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; (ii) the measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse; (iii) the procedural, budget and institutional arrangements and actions needed to implement these measures, including any schedules to such plan, and as such plan may be amended by the Recipient from time to time, with the prior written approval of the Association.

15. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
16. “International Ship and Port Facility Security Code” means the International Ship and Port Facility Security (ISPS) Code regarding minimum security arrangements for the maritime sector, adopted as an amendment to the Safety of Life at Sea (SOLAS) Convention (1974/1988) at the SOLAS Convention meeting in London in December 2002.
17. “Ministry of Culture and Internal Affairs” means the Recipient’s Ministry of Culture and Internal Affairs, or any successor thereto.
18. “Ministry of Finance” means the Recipient’s Ministry of Finance, or any successor thereto.
19. “Ministry of Justice, Immigration and Labor” means the Recipient’s Ministry of Justice, Immigration and Labor, or any successor thereto.
20. “Ministry of Transport and Communication” means the Recipient’s Ministry of Transport and Communication, or any successor thereto.
21. “National Disaster Management Office” means the Recipient’s National Disaster Management Office, reporting to the Recipient’s Chief Secretary within the Chief Secretary Office, established pursuant to Article VII, Section 2 of the *Constitution of the Marshall Islands 1979*, or any successor thereto.
22. “Operating Costs” means reasonable incremental expenditures incurred on account of Project implementation, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, communication expenses (including postage, telephone and internet costs), translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, meeting expenses, travel, subsistence and lodging expenses, administrative staff, project implementation support personnel, and other administrative costs directly related to the Project, exclusive of salaries of the Recipient’s civil service, sitting fees, bonuses, fees and honoraria or equivalent payments.
23. “RMI Ports Authority” means the Recipient’s RMI Ports Authority, a statutory body established and operating pursuant to the RMI Ports Authority Act 2003 [22 Marshall Islands Revised Code Ch.1], which reports to the Ministry of Transport and Communications.

24. “RMI Ports Authority Legislation” means the Recipient’s RMI Ports Authority Act 2003 [22 Marshall Islands Revised Code Ch.1].
25. “RMI Ports Authority’s Respective Part of the Project” means, collectively, Parts 1, 2.1 through 2.4(a)-(d), 3.1, 3.2, 3.3, 3.4, 3.5, 3.7, 3.8, and 3.9 of the Project, to be carried out by RMI Ports Authority.
26. “Project Implementation Unit” means the Recipient’s Project implementation Unit, to be established within the RMI Ports Authority, in accordance with Section I.A.4 of Schedule II to this Agreement.
27. “Preparation Advance” means 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 February 21, 2018 and on behalf of the Recipient on March 7, 2018.
28. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
29. “Project Steering Committee” means the Recipient’s Project committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
30. “Safeguard Instruments” means collectively, the ESMF and ESMPs and “Safeguard Instrument” means any of such Safeguards Instruments.
31. “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>.
32. “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.
33. “Training and Workshops” means activities to be carried out by the Recipient, based on terms of reference acceptable to the Association, for facilitating, conducting, and/or undertaking domestic and overseas training and workshops under the Project, the reasonable costs of which include: costs of training or workshop materials; equipment and venue rental; and per diem, accommodation, and transportation for those attending the training or workshop, and honoraria for trainers.

34. “Uliga Dock” means the maritime port that receives domestic passenger and cargo vessels, located in Majuro in the Recipient’s territory.