
GRANT NUMBER D544

Financing Agreement

(Statistical Innovation and Capacity Building in the Pacific Islands Project under the Statistical Innovation and Capacity Building in the Pacific Islands Program)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

PACIFIC COMMUNITY

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and PACIFIC COMMUNITY (“Recipient”). The Association and the Recipient 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 three million three hundred thousand Special Drawing Rights (SDR 3,300,000) (“Grant”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Grant 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 Grant Balance.
- 2.04. The Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project 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 The Additional Event of Suspension is that the SPC Treaty has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

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 its Director-General.

- 6.02. 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:

Telex:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	cdpngpacific@worldbank.org

- 6.03. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:

Pacific Community
B/P D5
98848 Noumea, New Caledonia; and

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
+687263818	spc@spc.int

AGREED as of the Signature Date.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Michel Kerf

Authorized Representative

Name: Michel Kerf

Title: Country Director, PNG & Pacific Islands

Date: 19-Mar-2020

PACIFIC COMMUNITY

By

Stuart Minchin

Authorized Representative

Name: Stuart Minchin

Title: Director General

Date: 19-Mar-2020

SCHEDULE 1

Project Description

The objectives of the Project are to improve the quality of welfare data collection and accessibility to comparable welfare data in the Pacific Island Countries.

The Project constitutes a phase of the Program, and consists of the following parts:

Part 1: Support to the Pacific Statistics Methods Board

- 1.1 Supporting the Recipient in providing secretariat functions for the Pacific Statistics Methods Board (“PSMB”), including, *inter alia*: (a) organizing PSMB meetings; (b) setting meeting agenda and sending invites to relevant international experts, as needed; (c) coordinating papers and reports on data collection in the Pacific region for review at the PSMB meetings; (d) identifying priority topics for further review at subsequent PSMB meetings; and (e) summarizing meeting discussions into minutes and recommendations for circulation to the national statistics offices.
- 1.2 Disseminating PSMB’s best practice recommendations on data collection, and conducting training and workshops in relation to such recommendations.

Part 2: Institutional strengthening and implementation support

- 2.1 Strengthening technical capacities of the Statistics for Development Division in providing support to the Pacific Island Countries on welfare data collection, analysis and dissemination, including, *inter alia*: (a) providing technical assistance and training on the implementation of the methodological recommendations generated by PSMB; (b) harmonizing key welfare indicators produced from household income and expenditure surveys, with respect to both historical and future datasets, including developing guidelines to standardize processes for harmonization and anonymization of such data; and (c) developing and updating a roster of consultants and academics to provide technical assistance to the national statistical offices of the Pacific Island Countries.
- 2.2 Providing operational and technical assistance to the Recipient on Project management and implementation through provision of Recurrent Technical Staff Costs and Corporate Support Costs.

- 2.3 Improving the Recipient's office and information and communications technology facilities to enable the implementation of Project activities.

Part 3: Alternative data collection methods

- 3.1 Providing technical support to: (a) design and plan for the Experiments under Part 3.2 of the Project; (b) produce analytical reports to reflect the results of the Experiments; and (c) assist with public dissemination of the results.
- 3.2 Conducting Experiments in Beneficiary Countries to test the alternative data collection methods developed to complement household income and expenditure surveys, and publicly disseminate the results.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall Project implementation and management responsibilities in its Statistics for Development Division.
2. The Recipient shall maintain, throughout the Project implementation period, a team of staff and/or consultants in adequate numbers and each with terms of reference, qualifications and experience satisfactory to the Association, within the Statistics for Development Division and/or other divisions of the Recipient, which shall be: (a) led by the director of the Statistics for Development Division; and (b) responsible for, *inter alia*, carrying out day-to-day management and implementation of the Project, all in accordance with the provisions of this Agreement and the Project Operations Manual.
3. Without limitation to the generality of Section I.A.2 above, the Recipient shall, by not later than six (6) 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), recruit or appoint a welfare economist and a statistics advisor within the Statistics for Development Division, each with terms of reference, qualifications and experience satisfactory to the Association, to carry out technical aspects of Project implementation, and thereafter maintain such positions throughout the Project implementation period.

B. Partnership Agreements

1. The Recipient shall, prior to the carrying out of an Experiment under Part 3.2 of the Project in a Beneficiary Country, enter into a Partnership Agreement (“Partnership Agreement”) with such Beneficiary Country (or its ministry or agency, as may be applicable), under terms and conditions acceptable to the Association and set forth in the Project Operations Manual, which shall include, *inter alia*, the following:

- (a) Detailed description of the Experiment, and the roles and responsibilities of the Recipient and the Beneficiary Country in carrying out the Experiment.
 - (b) Agreement of, and authorization by, the Beneficiary Country on the implementation of the Experiment in its territory, including, *inter alia*, its agreement to allow the Recipient and the Association to visit any part of its territory for the purposes related to the Experiment, and to cooperate with the Recipient to ensure that the Experiment is carried out promptly and effectively.
 - (c) Cost sharing arrangements between the Recipient and the Beneficiary Country for the implementation of the Experiment, including the provision of a Sub-Grant to the Beneficiary Country for such purpose, if applicable.
2. The Recipient shall make Sub-Grants to Beneficiary Countries in accordance with the eligibility criteria and procedures acceptable to the Association and set forth in the Project Operations Manual.
3. The Recipient shall make each Sub-Grant under a Partnership Agreement with the respective Beneficiary Country on terms and conditions approved by the Association, which shall include, *inter alia*, the following:
- (a) The Sub-Grant shall be provided to the respective Beneficiary Country on a grant basis and be denominated in the local currency of the relevant Beneficiary Country.
 - (b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (i) suspend or terminate the right of the Beneficiary Country to use the proceeds of the Sub-Grant and/or obtain a refund of all or any part of the amount of the Sub-Grant then withdrawn, upon the Beneficiary Country's failure to perform any of its obligations under the Partnership Agreement; and
 - (ii) require each Beneficiary Country to:

- (A) carry out the Experiment with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Project Operations Manual, the ESS instruments and the Anti-Corruption Guidelines applicable to recipients of financing proceeds other than the Recipient;
- (B) provide, promptly as needed, the resources required for the Experiment;
- (C) if applicable, procure the goods, works and services to be financed out of the Sub-Grant in accordance with the provisions of the General Conditions, and utilize such goods, works and services exclusively in carrying out the Experiment and for the objectives thereof;
- (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Experiment and the achievement of its objectives;
- (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Experiment; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
- (F) enable the Recipient and the Association to inspect the Experiment, its operation and any relevant records and documents; and

(G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

4. The Recipient shall exercise its rights and carry out its obligations under each Partnership Agreement in such manner as to protect the interests of the Recipient and the Association, and to accomplish the purposes of the Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Partnership Agreement or any of its provisions.

C. Project Operations Manual

1. The Recipient shall, by not later than three (3) 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 provide to the Association for its review and no-objection, a Project operations manual, which shall set forth, *inter alia*, detailed arrangements and procedures for: (i) 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) implementation arrangements for the ESS instruments; (iv) budgeting, disbursement and financial management arrangements, including details regarding the Operating Costs, the Recurrent Technical Staff Costs and the Corporate Support Costs; (v) Project monitoring, reporting, evaluation and communication arrangements; (vi) detailed arrangements and procedures in relation to the Experiments and the Sub-Grants, including the eligibility criteria, procedures, guidelines and templates for the selection, approval, administration and supervision of an Experiment and a Beneficiary Country, and the terms and conditions of a Sub-Grant and a Partnership Agreement; 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 except as the Association may otherwise agree in writing, the Recipient shall not amend or waive, or permit to be amended or waived, any provision of the Project Operations Manual.
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.

D. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish to the Association, by not later than three (3) months after the Effective Date and November 1 of each year for every subsequent year during the implementation of the Project (or such later interval or date as the Association may agree), for the Association's review and approval, an Annual Work Plan and Budget, which shall, *inter alia*: (a) list all activities (including Operating Costs, Recurrent Technical Staff Costs, Corporate Support Costs, Training and Workshops, Experiments and Sub-Grants) proposed to be included in the Project for the Recipient's following fiscal year; (b) provide a budget for their financing; and (c) describe the measures and actions 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 approved by the Association for the Recipient's respective fiscal year; provided, however, that in case of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. Annual Work Plans and Budgets may be revised, as needed, during the implementation of the Project subject to the Association's prior written approval.

E. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon Section I.E.1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
- (b) sufficient funds are available to cover the costs of implementing the ESCP;
- (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
- (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall:

- (a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
- (b) 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, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Recipient shall maintain 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 Reports

1. The Recipient shall furnish to the Association each Project Report not later than one (1) 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 the 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: (i) overall progress in implementation; (ii) results of monitoring and evaluation activities; (iii) progress on procurement and disbursement; (iv) progress on implementation of ESS measures; (v) implementation arrangements and Project staffing; and (vi) 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, 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 during the period following such date; 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 Grant

A. General

1. 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 Grant to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, Training and Workshops, Operating Costs and consulting services for Parts 1.1, 1.2, 2.1, 2.3 and 3.1 of the Project	2,250,000	100%
(2) Recurrent Technical Staff Costs and Corporate Support Costs for Part 2.2 of the Project	330,000	100%
(3) Goods, non-consulting services, Training and Workshops, Operating Costs, Recurrent Technical Staff Costs, Sub-Grants and consulting services for Part 3.2 of the Project	720,000	100%
TOTAL AMOUNT	3,300,000	

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 two hundred twenty-five thousand Special Drawing Rights (SDR 225,000) may be made for payments made prior to this date but on or after January 1, 2020, for Eligible Expenditures under Category (1); or
 - (b) under Categories (2) and (3), unless and until the Association is satisfied that the Recipient has adopted a Project Operations Manual in accordance with the provisions of Section I.C of this Schedule 2.
2. The Closing Date is June 30, 2025.

APPENDIX

Section I. 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. “Beneficiary Country” means a Pacific Island Country (or its ministry or agency, as may be applicable) that have met the eligibility and selection criteria specified in the Project Operations Manual for: (a) implementing an Experiment; and (b) if applicable, receiving a Sub-Grant and to which a Sub-Grant is made, all pursuant to a Partnership Agreement; and “Beneficiary Countries” means, collectively, all such Beneficiary Countries.
4. “Category” means a category set forth in the table in Section III.1 of Schedule 2 to this Agreement.
5. “Corporate Support Costs” means the reasonable and necessary indirect management costs incurred by the Recipient’s human resources, procurement, travel, finance, director-general/deputy director-general functions working on the Project, determined in accordance with the details specified in the Project Operations Manual and based on the Annual Work Plans and Budgets approved ex-ante by the Association, but excluding bonuses, sitting fees, honoraria or equivalent payment for such functions.
6. “Environmental and Social Commitment Plan” or its acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Association, dated December 5, 2019, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Association, and such term includes any annexes or schedules to such plan.

7. “Environmental and Social Standards” or its acronym “ESS” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association at <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>.
8. “Experiment” means a set of activities related to the implementation of an alternative data collection method and public dissemination of the results, to be carried out by a Beneficiary Country in partnership with the Recipient under Part 3.2 of the Project, in accordance with the terms of this Agreement, the Project Operations Manual and the relevant Partnership Agreement; and “Experiments” means, collectively, all such Experiments.
9. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018, with the modifications set forth in Section II of this Appendix.
10. “Mid-Term Review” shall have the meaning ascribed to it in Section II.2 of Schedule 2 to this Agreement.
11. “Operating Costs” means the reasonable and necessary costs of expenditures directly related to the Project, incurred by the Recipient (which expenditures would not have been incurred absent the Project), based on the Annual Work Plans and Budgets approved ex-ante by the Association, including consumable materials and supplies; communications services (postage, telephone and internet); information and communications technology charges, including leasing of laptop computers, software, internet connectivity and all related supporting services; media and printing services; advertising expenses; translation and interpretation services; office space rental and utilities; maintenance of office equipment; operation and maintenance of vehicles; audit fees; fuel costs; bank

charges required for the Project; staff and consultants' travel, lodging and per diems, but excluding: (a) salaries, bonuses, sitting fees and honoraria or equivalent payments of any of the Recipient's staff working on the Project; (b) the Recurrent Technical Staff Costs; and (c) the Corporate Support Costs.

12. "Pacific Island Countries" means, collectively, countries that are members of the Recipient and eligible for financing from the Association, which, as of the Signature Date, include the following: the Federated States of Micronesia; the Republic of Fiji; the Republic of Kiribati; the Republic of the Marshall Islands; the Independent State of Papua New Guinea; the Independent State of Samoa; Solomon Islands; the Kingdom of Tonga; Tuvalu; and the Republic of Vanuatu; and "Pacific Island Country" means any of such Pacific Island Countries.
13. "Pacific Statistics Methods Board" or its acronym "PSMB" means the Pacific Statistics Methods Board established at the fifth regional conference of the heads of planning and statistics, held at the headquarters of the Recipient in Noumea, New Caledonia, in November 2017.
14. "Partnership Agreement" means an agreement to be entered into between the Recipient and a Beneficiary Country, setting forth, *inter alia*: (a) the roles and responsibilities of the parties in relation to the implementation of an Experiment; and (b) if applicable, the terms and conditions governing a Sub-Grant, as referred to in Section I.B.1 of Schedule 2 to this Agreement; and "Partnership Agreements" means, collectively, all such Partnership Agreements.
15. "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.
16. "Program" means the Statistical Innovation and Capacity Building in the Pacific Islands Program, which constitutes a series of projects to improve the quality and efficiency of welfare data collection, and accessibility to comparable welfare data in the Pacific Island Countries.
17. "Project Operations Manual" means the Recipient's manual, referred to in Section I.C.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.

18. “Recurrent Technical Staff Costs” means the reasonable and necessary costs of expenditures incurred by the Recipient for the salaries of the Recipient’s technical staff working on the Project, determined in accordance with the details specified in the Project Operations Manual and based on the Annual Work Plans and Budgets approved ex-ante by the Association, but excluding bonuses, sitting fees and honoraria or equivalent payments of such technical staff.
19. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applied to all references to “the date of the Financing Agreement” in the General Conditions.
20. “SPC Treaty” means the Canberra Agreement of 1947.
21. “Statistics for Development Division” means the Recipient’s division responsible for delivery of statistical services, or any successor thereto.
22. “Sub-Grant” means a grant made available by the Recipient out of the proceeds of the Grant to a Beneficiary Country, in accordance with the provisions of a Partnership Agreement, to carry out the corresponding Experiment; and “Sub-Grants” means, collectively, all such Sub-Grants.
23. “Training and Workshops” means the reasonable costs of expenditures incurred by the Recipient, based on the Annual Work Plans and Budgets approved ex-ante by the Association and terms of reference acceptable to the Association, in facilitating, conducting and/or undertaking domestic and overseas training and workshop activities under the Project, including costs of training or workshop materials; equipment and venue rental; per diem, accommodation, and transportation for those attending the training or workshop; and honoraria for trainers.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 2.06 is modified to read as follows:

“Section 2.06. *Financing Taxes*

The use of any proceeds of the Grant to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Legal Agreements, is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant.”

2. Paragraphs (b) and (c) of Section 3.18 are modified to read as follows:

“(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Member Country, or in connection with their execution, delivery or registration.”

3. In Section 5.11, paragraph (a) is modified to read as follows:

“Section 5.11. *Visits*

(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Grant or the Project.”

4. Section 6.01 is deleted in its entirety and the remaining section in Article VI is renumbered accordingly.
5. Section 8.02 is modified as follows:
 - (a) Paragraph (j) on *Membership* is modified to read as follows:

(j) *Membership.* The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”
 - (b) Paragraph (m) is renumbered as paragraph (n), and a new paragraph (m) is added to read as follows:

“(m) *Interference.* The Member Country: (i) has taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) has failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes relating to Grant or the Project.”
6. The Appendix (Definitions) is modified as follows:
 - (a) Paragraph 79 (Member Country) is modified to read as follows:

“79. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory of more than one such member, “Member Country” refers separately to each such member.”
 - (b) Paragraph 94 (Recipient) is modified to read as follows:

“94. “Recipient” means the party to the Financing Agreement to which the Grant is extended.”