
GRANT NUMBER E381-TO

Financing Agreement

(Second Additional Financing for the Tonga Safe and Resilient Schools 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”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”).

WHEREAS:

- (A) under the Original Financing Agreement, the International Development Association (“Association”) agreed to provide the Recipient with a grant in an amount equivalent to ten million six hundred thousand Special Drawing Rights (SDR 10,600,000) to assist in financing the Original Project;
- (B) under the First Additional Financing Agreement, the Association agreed to provide the Recipient with a grant in an amount equivalent to seven million five hundred thousand Special Drawing Rights (SDR 7,500,000) to scale-up the Original Project;
- (C) under the First Additional PPIUF Grant Agreement, the International Bank for Reconstruction and Development and International Development Association (“Bank”) agreed to provide the Recipient with a grant in an amount not to exceed four million two hundred and seventy thousand United States Dollars (\$4,270,000) to scale-up the Original Project;
- (D) the Recipient has requested the Association to provide a second additional financing in support of activities related to the scale up of the Original Project through:
 - (i) a grant as provided in Section 2.01 of this Agreement;
 - (ii) an additional grant in an amount of one million five hundred thousand Dollars (\$1,500,000) pursuant to the Second Additional PPIUF Grant Agreement;
 - (iii) an additional grant in an amount not to exceed four million seven hundred fifty thousand Dollars (\$4,750,000) pursuant to the Global Partnership for Education Grant Agreement; and
- (E) the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement.

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 eleven million one hundred thousand Special Drawing Rights (SDR 11,100,000) (“Financing”), to: (a) assist in financing the project described in Schedule 1 to this Agreement (“Project”); and (b) provide the Rapid Response Option (“RRO”).
- 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 February 15 and August 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Contingent Emergency Response Project (“CERP”). To this end, the Recipient shall carry out Parts 1, 2 and 4 of the Project through the Ministry of Education and Training (“MET”) and Part 3 through the Ministry of Finance (“MOF”), all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement and (b) shall carry out, or cause to be carried out, the CERP in accordance with Article V of the General Conditions.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Second Additional PPIUF Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled; and
 - (b) the Global Partnership for Education Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled; and
 - (c) the Amendment Letter has been executed and delivered on behalf of the Recipient.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. 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 V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister responsible for finance.
- 5.02. 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:

E-mail:
minister@finance.gov.to

5.03. 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:

Telex:
248423 (MCI)

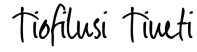
Facsimile:
1-202-477-6391

E-mail:
cdpngpacific@worldbank.org

AGREED as of the Signature Date.

KINGDOM OF TONGA

By



Authorized Representative

Name: Tiofilusi Tiueti

Title: Minister for Finance

Date: 10-Dec-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Stephen N. Ndegwa

Title: Country Director, PNG & Pacific Islands

Date: 10-Dec-2024

SCHEDULE 1

Project Description

The objectives of the Project are: (i) to enhance the safety and resilience of selected education facilities; (ii) to improve the quality of data-driven education management, curricula, and assessments in the selected educational programs; and (iii) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the Original Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

Sections 1.A (*Institutional Arrangements*), 1.C (*Contingency Emergency Response*), and 1.E (*Annual Work Plans and Budgets*) of Schedule 2 to the Original Financing Agreement and the Definitions in the Appendix to the Original Financing Agreement, as amended, are hereby incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

B. Project Operations Manual.

1. The Recipient shall maintain, throughout the Project implementation period, an updated Project Operations Manual in form and substance satisfactory to the Association.
2. The Recipient shall thereafter ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and shall not amend, abrogate or waive any provision of the Project Operations Manual unless the Association has provided its prior no-objection thereto in writing.

C. 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 paragraph 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, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;

- (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall ensure that:
 - (a) all measures necessary are taken 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 environmental and social 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) the Association is promptly notified 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 environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of

sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

D. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 3 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.

3. The Recipient shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the Environmental and Social Commitment Plan, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring, Reporting and Evaluation

Section II (*Project Monitoring, Reporting and Evaluation*) of Schedule 2 to the Original Financing Agreement is hereby incorporated by reference and shall apply *mutatis mutandis* to this Agreement. The Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full to this Agreement.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures for the Project or the CERP in accordance with the respective Disbursement and Financial Information Letter; and (b) allocated from time to time to Category (4) in accordance with the provisions of Section II.A of the relevant Schedule on “Program Actions, Availability of Financing Proceeds” (or such equivalent heading) to the Cat DDO Legal Agreement (including the relevant provisions of any other document that is referred to or forms part of the Cat DDO Legal Agreement), which are hereby incorporated by reference in this Agreement, and which shall apply, *mutatis mutandis*, to the amount of the Financing allocated to the aforementioned Category; all in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Training and Workshops, and Operating Costs for Parts 1 and 4 of the Project	11,100,000	100%
(2) Emergency Expenditures	0	100%
(3) Eligible Expenditures for the CERP	0	100%
(4) Complementary Financing for the Cat DDO	0	(Not applicable)
TOTAL AMOUNT	11,100,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) for Emergency Expenditures under Category (2), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (2); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted, in form and substance acceptable to the Association: (A) the CERC Manual; (B) the Emergency Action Plan; and (C) the environmental and social instruments in accordance with Section I.D.3(a) of Schedule 2 to this Agreement.

- (c) for Eligible Expenditures under Category (3), until and unless the Association has notified the Recipient that the conditions set forth in Section 5.15 (a) of the General Conditions have been fulfilled; and
 - (d) for Complementary Financing for the Cat DDO under Category (4), until and unless:
 - (i) the Recipient has furnished to the Association a request to reallocate and thereafter withdraw all or part of the Unwithdrawn Credit Balance for the Complementary Financing for the Cat DDO, and such notice specifies the Cat DDO Legal Agreement; and
 - (ii) the Association has accepted said request and notified the Recipient thereof, and is satisfied, based on evidence satisfactory to it, that the conditions precedent to withdrawal of the financing provided under the Cat DDO Legal Agreement have been fulfilled.
2. In the event of withdrawal of the Complementary Financing for the Cat DDO, the Recipient shall comply with any provisions on “Deposits of Financing Proceeds/Amounts” and “Audits” (or such equivalent heading) set forth in Section II of the relevant Schedule on “Program Actions, Availability of Financing Proceeds” (or such equivalent heading) to the Cat DDO Legal Agreement (including the relevant provisions of any other document that is referred to or forms part of the Cat DDO Legal Agreement) to the same extent as if such provisions have been set out in full in this Agreement, except that: (a) the terms “Credit”, “Grant” or “Financing” (or such equivalent terms) shall be deemed to refer to the amount of the Complementary Financing for the Cat DDO; and (b) the terms “Credit Account”, “Grant Account” or “Financing Account” (or such equivalent terms) shall be deemed to refer to the Financing Account for this Financing.
3. The Closing Date is September 30, 2029.

APPENDIX

Section I. Definitions

1. “Amendment Letter” means the letter amending the Original Financing Agreement and the First Additional Financing Agreement between the Recipient and the Association to reflect revisions as a result of the additional financing supported by this Agreement, dated on or around the Signature Date.
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. “Cat DDO Legal Agreement” means the agreement entered or to be entered between the Recipient and the Association or the Bank, as the case may be, for the Cat DDO, whose closing date is after the date when the Recipient requests the withdrawal of the Complementary Financing for the Cat DDO, as further specified by the Recipient in such request for withdrawal.
4. “Cat DDO” means the financing provided under the Cat DDO Legal Agreement with a deferred drawdown option for catastrophe risks.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “CERC Manual” means the manual referred to in Section I.D.1(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operations Manual.
7. “Complementary Financing for the Cat DDO” means the amount of the Financing allocated to the Category entitled “Complementary Financing for the Cat DDO” in the table set forth in the table in Section III.A of Schedule 2 to this Agreement.
8. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 3 of the Project to respond to an Eligible Crisis or Emergency.
9. “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.
10. “Emergency Action Plan” means the plan referred to in Section I.D.1(b) of Schedule 2 to this Agreement, detailing the activities, budget, implementation

plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

11. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.D.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 25, 2024, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
13. “Environmental and Social Standards” or “ESSs” 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 African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
14. “First Additional Financing Agreement” means the Financing Agreement between the Recipient and the Association, dated August 4, 2022, for the purpose of providing additional grant for the scale-up of the Original Project, as may be amended from time to time (Grant Number E065-TO).
15. “First Additional PPIUF Grant Agreement” means the Grant Agreement between the Recipient and the Bank, acting as administrator of the Papua New Guinea and Pacific Island Umbrella Facility (PPIUF) Multi-Donor Trust Fund, dated August 4, 2022, for the purpose of providing additional grant for the scale-up of the Original Project, as may be amended from time to time (Grant Number TF0B8671).

16. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023), with modifications set forth in Section II to this Appendix.
17. “Global Partnership for Education Grant Agreement” means the Grant Agreement to be entered into between the Recipient and the International Bank for Reconstruction and Development and International Development Association, acting as Grant Agent for the Global Partnership for Education, for the purpose of providing the second additional grant for the scale-up of the Original Project, as may be amended from time to time.
18. “Operating Costs” means reasonable incremental 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, vehicle insurance, 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.
19. “Original Financing Agreement” means the Financing Agreement between the Recipient and the Association, dated February 9, 2022, for the purpose of providing the original grant for the Original Project, as amended to date and by the Amendment Letter, and as such agreement may be further amended from time to time (Grant Number D927-TO).
20. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.
21. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
22. “Rapid Response Option” or “RRO” means the use of all or any portion of the Financing that has been requested by the Recipient and accepted by the Association in accordance with the terms of this Agreement to: (a) assist in financing the CERP; and (b) provide complementary financing in support of the program defined in the Cat DDO Legal Agreement.
23. “Second Additional PPIUF Grant Agreement” means the Grant Agreement to be entered into between the Recipient and the International Bank for Reconstruction and Development and International Development Association, acting as

administrator of the Papua New Guinea and Pacific Islands Umbrella Facility Multi-Donor Trust Fund, for the purpose of providing the second additional grant for the scale-up of the Original Project, as may be amended from time to time.

24. “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.
25. “Training and Workshops” means the reasonable costs incurred by the Recipient and included in the Annual Work Plans and Budgets accepted by the Association, for training 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.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 1.01 (*Application of General Conditions*) is amended by adding a new paragraph as follows:

“If the Financing Agreement provides for the use of the Financing to assist in financing the CERP, references in these General Conditions to the Project and the Respective Parts of the Project (other than those in sub-Sections 5.08(b)(i) and 5.08(c)(i), and the definitions of terms “Anti-Corruption Guidelines”, “Procurement Regulations”, “Project”, and “Respective Part of the Project”) shall be deemed to also refer to the CERP and the Respective Parts of the CERP, respectively. Conversely, if the Financing Agreement does not provide for the use of the Financing to assist in financing the CERP, references to the CERP and the Respective Parts of the CERP in these General Conditions, and all clauses applicable exclusively to them, shall be disregarded.”
2. Paragraphs (b) and (c) of Section 5.08 (*Project Monitoring and Evaluation*) are amended to read as follows:

“(b) The Recipient shall:

 - (i) in respect to the Project, prepare or cause to be prepared periodic reports (“Project Report”), in form and substance satisfactory to the Association, integrating the results of such Project monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project, and to achieve its objectives;

- (ii) in respect to the CERP, prepare or cause to be prepared periodic reports (“CERP Report”) and in form and substance satisfactory to the Association, integrating the results of the monitoring and evaluation activities of the CERP and setting out measures recommended to ensure the continued efficient and effective execution of the CERP, and to achieve its objectives; and such CERP Reports shall be prepared: (A) on an annual basis in the absence of an Eligible Crisis and Emergency; and (B) at least semi-annually, as further determined in the CERP Manual, throughout the implementation period of a Crisis Response Plan during an Eligible Crisis and Emergency; and
 - (iii) the Recipient shall furnish or cause to be furnished each Project Report or CERP Report to the Association promptly upon its preparation, afford the Association a reasonable opportunity to exchange views with the Recipient and the Project Implementing Entity on any such report, and thereafter implement such recommended measures, taking into account the Association’s views on the matter.
- (c) Except as the Association may reasonably determine otherwise, the Recipient shall prepare, or cause to be prepared, and furnish to the Association:
 - (i) in respect to the Project, not later than six (6) months after the Closing Date: (i) a report of such scope and in such detail as the Association shall reasonably request, on the execution of the Project, the performance by the Recipient and the Association of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Financing; and (ii) a plan designed to ensure the sustainability of the Project’s achievements; and
 - (ii) in respect to the CERP, not later than six (6) months after the end of the implementation period of the CERP: (i) a report of such scope and in such detail as the Association shall reasonably request, on the execution of the CERP, the performance by the Recipient and the Association of their respective obligations, and the accomplishment of the purposes of the Financing; and (ii) a plan designed to ensure the sustainability of the CERP’s achievements.”

3. A new Section 5.15 (*Contingent Emergency Response Project*) is added to read as follows:

“Section 5.15. *Contingent Emergency Response Project*

(a) If the Financing Agreement provides for the use of the Financing to assist in financing the CERP, the Association may reallocate all or part of the Unwithdrawn Financing Balance for the financing of a specific Crisis Response Plan if the Association has notified the Recipient that the following conditions have been fulfilled:

- (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to reallocate and thereafter withdraw all or part of the Unwithdrawn Financing Balance for the financing of a specific Crisis Response Plan under the CERP under implementation at the time of the request; and (B) the Association has agreed with such determination and accepted said request; and
- (ii) the Recipient has adopted the CERP Manual (with the CERP ESCP attached as an annex) and the Crisis Response Plan, both in form and substance acceptable to the Association.

(b) The Recipient shall carry out, or cause to be carried out, the CERP pursuant to the Crisis Response Plan(s), the CERP Manual, the Environmental and Social Standards, the CERP ESCP, and the environmental and social instruments prepared thereunder, all in a manner acceptable to the Association. To this end, the Recipient shall ensure that:

- (i) the structures and arrangements referred to in the CERP Manual are maintained throughout the implementation of the CERP and each of the Crisis Response Plans, in a manner and substance acceptable to Association;
- (ii) the environmental and social instruments required for the CERP and the respective Crisis Response Plan are prepared, disclosed and adopted in accordance with the CERP Manual and the CERP ESCP, and in form and substance acceptable to the Association;
- (iii) the measures and actions specified in the CERP ESCP are implemented with due diligence and efficiency, as provided in the CERP ESCP;

- (iv) sufficient funds are made available to cover the costs of implementing the CERP ESCP;
- (v) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the CERP ESCP, as provided in the said CERP ESCP;
- (vi) subject to the prior written agreement of the Association, any revised CERP ESCP or environmental and social documents prepared thereunder is disclosed promptly after their approval;
- (vii) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the CERP ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the CERP ESCP and the environmental and social 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 CERP ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the CERP ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
- (viii) the Association is promptly notified of any incident or accident related to or having an impact on the CERP 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 CERP ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

(d) The Recipient shall ensure that neither the Crisis Response Plan(s) nor the CERP Manual nor the CERP ESCP is amended, suspended, abrogated, repealed or waived without the prior written agreement by the Association. Nevertheless, in the event of any inconsistency between the provisions of the CERP Manual, the Crisis Response Plan(s), or the CERP ESCP, on the one side, and any provision of these General Conditions or the Legal Agreements, on the other, the provisions of the Legal Agreements and these General Conditions shall prevail.

(e) The Recipient shall, or shall cause to, establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of people affected by the CERP, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

(f) The Recipient shall ensure that that all bidding documents and contracts for civil works under the CERP include the obligation of contractors, subcontractors and supervising entities to: (i) comply with the relevant aspects of the applicable CERP ESCP and the environmental and social instruments referred to therein; and (ii) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.”

4. The following definitions are inserted in the Appendix in alphabetical order as follows:

“[#]. “Contingent Emergency Response Project” and the term “CERP” mean the contingent emergency response project prepared from time to time by the Recipient and agreed with the Association aimed at responding promptly and effectively to an Eligible Crisis or Emergency, as further elaborated in the Crisis Response Plan(s), as amended from time to time by agreement between the Recipient and the Association.”

“[#]. “CERP ESCP” means the environmental and social commitment plan for the CERP to be prepared and adopted by the Recipient, as the same may be amended from time to time in accordance with the provisions thereof, setting forth the material measures and actions that the Recipient shall carry out to address the potential environmental and social risks and impacts of the activities detailed in the Crisis Response Plan, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.”

“[#]. “CERP Manual” means the implementation manual to be prepared and adopted by the Recipient setting forth the detailed implementation arrangements for the CERP, including: (a) any structures or institutional arrangements, allocation of responsibilities and decision making powers for coordinating and implementing the activities thereunder; (b) the specific activities to be implemented under the CERP in response to the declared/determined Eligible Crisis and Emergency pursuant to the Crisis Response Plan; (c) the template for the Crisis Response Plan; (d) the positive list of Eligible Expenditures for the CERP; (e) the financial management and withdrawal arrangements for the implementation of the CERP; (f) the procurement methods and procedures to be followed in the implementation of the CERP; (g) a description of the environmental and social assessment and management arrangements applicable to the CERP; and (h) template of the CERP Reports as well as the monitoring and evaluation arrangements for the activities thereunder.”

“[#]. “CERP Report” means each report on the CERP to be prepared and furnished to the Association pursuant to Section 5.08 (b)(ii) of these General Conditions.”

“[#]. “Crisis Response Plan” means the plan to be prepared and adopted by the Recipient in response to an Eligible Crisis or Emergency detailing, among others: (a) the activities to be implemented under the CERP in response to the Eligible Crisis or Emergency; (b) the estimated budget therefor and corresponding appropriations and/or financing sources; (c) the implementation timeline which, unless the Association otherwise agrees, shall not exceed twelve (12) months; (d) the foreseeable procurement and an abridged CERP Procurement Plan therefor; and (e) the envisioned results framework and indicators.”

“[#]. “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.”

“[#]. “Environmental and Social Standards” 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 African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.”