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NEWS RELEASE

World Bank Boosts Support for Tonga to Build Resilience, Strengthen Disaster Preparedness

WASHINGTON, **January 21**, **2024** – The Kingdom of Tonga, one of the world's most exposed countries to climate change and natural disasters, will receive a US\$25 million (TOP\$58.7 million) World Bank grant to strengthen financial and debt sustainability and to enhance climate and disaster resilience.

January marks two years since the catastrophic Tonga Hunga-Tonga-Hunga-Ha'apai volcanic eruption, which produced a tsunami and ashfall that directly affected at least 85,000 Tongans, and <u>caused damages</u> of about US\$90.4 million (TOP\$208 million); equivalent to approximately 18.5% of Tonga's GDP.

The Tongan government has placed a high priority on strengthening fiscal, disaster, and climate resilience to improve Tonga's growth and development prospects. The <u>Tonga First Fiscal, Disaster, and Climate Change Resilience Development Policy Operation with a Catastrophe Deferred Drawdown Option (Cat DDO)</u> approved by the World Bank's Board of Directors, includes a development policy grant of US\$5 million (TOP\$11.7 million) and an option to immediately access US\$20 million (TOP\$47 million) in the event of a major crisis or disaster caused by weather (such as a tropical cyclone or flood), seismic activity (such as a volcano or earthquake), or a health emergency.

"We continue to stand with Tonga, alongside other development partners, in its efforts to boost its fiscal and debt management and strengthen its disaster preparedness and response," said **Stefano Mocci, World Bank Country Manager for the South Pacific.** "This grant will support Tonga in enhancing its social protection systems and working toward greater economic prosperity and more resilient communities."

The World Bank operation supports government initiatives to improve domestic revenue mobilization, reduce national debt, and enhance resilience to climate change and natural disasters. The operation also prioritizes the development of more robust National Disaster Response Management plans to ensure quicker and more efficient delivery of emergency assistance after severe weather events. The Cabinet approval of a comprehensive National Social Protection policy will help ensure timely and efficient disaster response, including to the country's most vulnerable citizens, in the aftermath of a disaster.

"We have come a long way since the Tonga HT-HH volcanic eruption and tsunami, but there's still a lot to be done as we continue to face the increasing challenges caused by climate change and severe weather events," said the Hon. Tiofilusi Tiueti, Tongan Minister of Finance. "This support will boost our government's and our communities' resilience to future shocks and ensure we're better able to respond to and recover from disasters."

This grant is funded through the International Development Association (IDA), the World Bank's fund for the world's most in-need countries.

Contacts:

Suva: Vika Waradi, +679 9403498, vwaradi@worldbank.org
Sydney: Tom Perry, +61 404 460 330, tperry@worldbank.org

Washington: Kym Smithies, +1 (646) 407 8629, ksmithies@worldbank.org

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