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**CREDIT NUMBER 6733-FJ**

# **Financing Agreement**

**(Fiji COVID-19 Emergency Response Project)**

**between**

**REPUBLIC OF FIJI**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 6733-FJ**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF FIJI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to this Agreement (“Project”), has requested the Association to extend a credit to assist in the financing of the Project; and

(B) the Recipient, through the International Bank for Reconstruction and Development and the Association acting as a responding agency of the Pandemic Emergency Financing Facility (“PEF”) (collectively, “World Bank”), has also requested PEF to provide additional assistance towards the financing of certain activities under the Project, and PEF intends to make a contribution in an amount of nine hundred and fifty-two thousand three hundred and eighty Dollars (\$952,380) to the World Bank for such purpose, and, upon receipt of the grant proceeds from PEF, the World Bank intends to make available such grant (PEF Grant Number TFOB3100) (“PEF Grant”) to the Recipient, pursuant to the provisions of the agreement to be entered into between the Recipient and the World Bank (“PEF Letter Agreement”).

NOW THEREFORE, 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 credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to four million seven hundred and sixty thousand Special Drawing Rights (SDR 4,760,000) (variously, “Credit” and “Financing”), to assist in financing the 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 Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project and the MPA Program. To this end, the Recipient shall carry out the Project through its Ministry of Health and Medical Services in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Condition of Effectiveness is that the PEF Letter Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 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 at the time responsible for finance.

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

Ministry of Economy  
Ro Lalabalavu House  
370 Victoria Parade  
Suva, Fiji; and

(b) the Recipient's Electronic Address is:

Facsimile: 679-330-0834      E-mail: makereta.konrote@economy.gov.fj

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:

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

AGREED as of the Signature Date.

**REPUBLIC OF FIJI**

**By**



**Authorized Representative**

**Name:** Aiyaz Sayed-Khaiyum

**Title:** Attorney-General and Minister for Economy

**Date:** 20-Jul-2020

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Michel Kerf*

**Authorized Representative**

Michel Kerf

**Name:** \_\_\_\_\_

**Title:** Country Director, PNG & Pacific Islands

**Date:** 02-Jul-2020

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in the Republic of Fiji.

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

#### **Part 1: Emergency COVID-19 Response**

- 1.1 *Enhance case detection, confirmation and contact tracing.* Strengthening capacity for early detection, case confirmation and contact tracing for COVID-19 by equipping laboratories with relevant supplies and consumables.
- 1.2 *Enhance health service delivery.* Enhancing clinical care capacity to manage COVID-19 cases and infection prevention and control capacity, including: (a) providing personal protection equipment and essential medical equipment for case treatment; and (b) mobilizing MHMS Staff to respond to a surge in demand for health care services and associated COVID-19 response work.
- 1.3 *Communication preparedness and response.* Strengthening COVID-19 community awareness and communication including: (a) carrying out information and communication outreach activities; (b) enhancing connectivity for health facilities in Selected Areas; and (c) supporting access to health sector software, as needed.

#### **Part 2: Health System Strengthening**

Supporting health care system strengthening including: (a) enhancing health care waste management including procuring and installing a medical waste incinerator at a site selected in accordance with criteria satisfactory to the Association, any incidental works, and technical assistance to support such activities; (b) training for health care workers on health care waste management; (c) constructing a warehouse to store goods and medical supplies; and (d) developing a pandemic preparedness plan.

#### **Part 3: Implementation Management and Monitoring and Evaluation**

Providing technical and operational assistance on Project management and monitoring and evaluation, including supporting monitoring and evaluation, supervision and reporting, financial management, procurement and environmental and social risk mitigation activities; and sharing lessons learnt from response exercises and joint learning domestically and internationally.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements.**

1. The Recipient shall vest responsibility for the overall management and implementation of the Project in MHMS, including responsibility for carrying out day-to-day management and implementation of the Project, and coordinating with other government ministries/agencies and relevant stakeholders on all aspects of Project implementation.
2. The Recipient shall provide MHMS at all times with adequate funds and other resources, mandate/functions, and with qualified and experienced personnel in adequate numbers, as shall be necessary to accomplish the Project objective as further detailed in the Project Operations Manual.
3. Without limitation to the generality of Section I.A.1 and I.A.2 above, the Recipient, through MHMS, shall:
  - (a) by not later than two (2) 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 Project manager to lead day-to-day management and implementation of the Project;
  - (b) by not later than two (2) 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 officers with expertise in environmental, social, health, and safety management, and community engagement; and
  - (c) thereafter maintain such positions as needed throughout the Project implementation period.

##### **B. Project Operations Manual**

1. 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), the Recipient shall:

- (a) prepare and furnish to the Association, for its review and no-objection, a Project Operations Manual, which shall set forth, *inter alia*, the following detailed arrangements and procedures for the implementation of the Project: (i) institutional arrangements for the 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 Environmental and Social Commitment Plan (“ESCP”); (iv) budgeting, disbursement, financial management and auditing arrangements, including details related to MHMS Staff Costs; (v) Project monitoring, reporting, evaluation and communication arrangements; (vi) Personal Data collection and processing; (vii) process for selection of Selected Areas and site for the medical waste incinerator; and (viii) 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 objective; and
  - (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.

**C. Annual Work Plans and Budgets**

1. The Recipient shall prepare and furnish to the Association, by not later than ninety (90) days after the Effective Date and July 1 of each 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 no-objection, an Annual Work Plan and Budget, which shall include, *inter alia*: (a) list all activities (including Operating Costs, MHMS Staff Costs and Training and Workshops) proposed to be implemented under the Project during the following fiscal year of the Recipient; (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.D of this Schedule 2.
2. The Recipient shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets accepted by the Association for the 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. The Recipient shall not make or allow to be made any change to the Annual Work Plans and Budgets unless the Association has provided its prior no-objection thereof in writing.

**D. 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 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 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 any civil works under the Project include the obligation of contractors, 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.

## **Section II. Project Monitoring, Reporting and Evaluation**

### Project Reports

1. The Recipient shall furnish to the Association each Project Report not later than sixty (60) days after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

## **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; 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 Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Operating Costs, and Training and Workshops for the Project	4,000,000	100%
(2) MHMS Staff Costs for Part 1 of the Project	760,000	100%
<b>TOTAL AMOUNT</b>	<b>4,760,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed one million nine hundred and four thousand (SDR1,904,000) may be made for payments made prior to this date but on or after January 1, 2020, for Eligible Expenditures under Category (1) and Category (2).
2. The Closing Date is June 30, 2023.

### SCHEDULE 3

#### Repayment Schedule

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each May 15 and November 15:	
commencing November 15, 2030 to and including May 15, 2040	<b>1%</b>
commencing November 15, 2040 to and including May 15, 2060	<b>2%</b>

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

## 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 accepted by the Association, in accordance with Section I.C 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. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
5. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated June 17, 2020, 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.
6. “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 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.

7. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
8. “MHMS Staff” means personnel employed by MHMS, or employed by other agencies and seconded by MHMS as evidenced by an approved written agency circular, who are registered and paid through the Recipient government’s payroll system.
9. “MHMS Staff Costs” means the reasonable and necessary costs incurred by the Recipient for overtime pay and per diem entitlements of the MHMS Staff, and accommodation as required for MHMS Staff, based on Annual Work Plans and Budgets accepted ex ante by the Association and in accordance with details further specified in the Project Operations Manual, but excluding bonuses, sitting fees and honoraria or equivalent payments of such staff.
10. “Ministry of Health and Medical Services” or “MHMS” means the Recipient’s Ministry of Health and Medical Services or any successor thereto.
11. “MPA Program” means the multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
12. “Operating Costs” means the reasonable incremental expenses incurred by the Recipient on account of the implementation, management and monitoring and evaluation of the Project, based on the Annual Work Plans and Budgets accepted ex-ante by the Association, including rental of office space, bank charges, communications, advertising costs, utilities, stationery, vehicle operation, maintenance, insurance and transportation costs, but excluding: (a) salaries, fees, honoraria, bonuses, and any other salary supplements of any of the Recipient’s civil servants; and (b) MHMS Staff Costs.
13. “PEF Letter Agreement” means the letter agreement for a Fiji COVID-19 Emergency Response Project between the Recipient and the International Bank for Reconstruction and Development/Association, acting a responding agency of the Pandemic Emergency Financing Facility, for a grant in the amount of nine hundred and fifty-two thousand three hundred and eighty Dollars (\$952,380) (PEF Grant Number TF0B3100) dated on or about the date of this Agreement.
14. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of

attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.

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. “Project Operations Manual” means the Recipient’s project operations manual to be adopted by the Recipient in accordance with Section I.B.1 of Schedule 2 to this Agreement; as said manual may be modified from time to time with prior approval in writing of the Association, and such term includes any schedules or annexes to the manual.
17. “Selected Areas” means MHMS functions and geographical areas selected by the Recipient, on the basis of criteria satisfactory to the Association, as having the greatest need to improve communication and data reporting between MHMS and front-line health workers.
18. “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.
19. “Training and Workshops” means the reasonable costs of training and workshop activities under the Project, based on the Annual Work Plans and Budgets accepted ex-ante by the Association, including preparation and reproduction of training materials, rental of facilities, reasonable transportation costs, per diem of trainers and trainees (if applicable), and any other expenses directly related to course preparation and implementation.