
LOAN NUMBER 9211-FJ

Loan Agreement

(Fiji Recovery and Resilience First Development Policy Loan)

between

REPUBLIC OF FIJI

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF FIJI (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of: (i) the actions which the Borrower has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement; and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of twenty-five million Dollars (\$25,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”).
- 2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.04. The interest rate is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion, subject to Section 3.02 (e) of the General Conditions.
- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
 - (c) without limitation upon paragraph (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following: a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
 - (b) The Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
 - (c) The Cat-DDO Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

- 5.03. For purposes of Section 9.05 (b) of the General Conditions, the date on which the obligations of the Borrower 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 Borrower's Representative is its Minister at the time responsible for finance.
- 6.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Borrower's address is:

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

- (b) the Borrower's Electronic Address is:

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

- 6.03. For purposes of Section 10.01 of the General Conditions:

- (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

- (b) the Bank's Electronic Address is:

Telex: 248423(MCI) or 64145(MCI) Facsimile: 1-202-477-6391 E-mail: cdpngpacific@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF FIJI

By

Hon. Aiyaz Sayed-Khaiyum

Authorized Representative

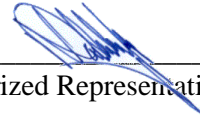
Name: _____
Hon. Aiyaz Sayed-Khaiyum

Title: _____
Attorney General & Minister for Economy

Date: _____
28-Apr-2021

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: _____
Paul Vallely

Title: _____
Acting Country Director, PNG and Pacific

Date: _____
26-Apr-2021

SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Actions Taken under the Program

The actions taken by the Borrower under the Program include the following:

1. To improve the efficiency of payment systems and foster digital solutions, the Borrower, through its Cabinet, has approved the National Payment System Bill 2020, as evidenced by: (a) the National Payment System Bill 2020; and (b) the letter from the Ministry of Economy of the Borrower to the International Bank for Reconstruction and Development, dated February 11, 2021, confirming the Cabinet approval of the National Payment System Bill 2020.
2. To develop wholesale corporate bonds market, the Borrower, through its Ministry of Economy, has approved the Companies (Wholesale Corporate Bonds) Regulations 2021, as evidenced by: (a) the Companies (Wholesale Corporate Bonds) Regulations 2021; and (b) the Government of Fiji Gazette Supplement No. 5, dated January 22, 2021.
3. To enhance resilience of coastal communities by protecting marine ecosystems the Borrower, through its Cabinet, has approved the National Ocean Policy 2020-2030, as evidenced by: (a) the National Ocean Policy 2020-2030; and (b) the letter from the Ministry of Economy of the Borrower to the International Bank for Reconstruction and Development, dated February 11, 2021, confirming the approval of the National Ocean Policy 2020-2030.
4. To improve the resilience of buildings to climate risks by specifying minimum requirements of structural materials, the Borrower, through its Ministry of Commerce, Trade, Tourism and Transport, has approved the Fiji Standard AS/NZS 4671 for Steel Reinforcing Materials, as evidenced by the Government of Fiji Gazette Supplement No. 4, dated January 20, 2021.
5. To better target social assistance programs and improve socioeconomic and climate resilience of the poor and vulnerable, the Borrower, through its Cabinet, has approved the Social Assistance Policy: Protecting the Poor and Vulnerable, as evidenced by: (a) the Social Assistance Policy: Protecting the Poor and Vulnerable; and (b) the letter from the Ministry of Economy of the Borrower to the International Bank for Reconstruction and Development, dated February 11, 2021, confirming the Cabinet approval of the Social Assistance Policy: Protecting the Poor and Vulnerable.
6. To improve debt management, the Borrower, through its Cabinet, has approved Fiji's first Medium Term Debt Management Strategy Fiscal Year 2021-2023 and made it publicly accessible on the Ministry of Economy's website, as evidenced by: (a) the Medium Term Debt Management Strategy Fiscal Year 2021-2023; and (b) the letter from the Ministry of Economy of the Borrower to the International Bank for

Reconstruction and Development dated February 11, 2021, confirming the Cabinet approval of the Medium Term Debt Management Strategy Fiscal Year 2021-2023.

7. To strengthen public financial management, the Borrower, through its Cabinet has: (i) approved the Financial Management (Amendment) Bill 2021; (ii) applied Gender Responsive Budgeting principles in its FY2020-2021 budget process with regard to two pilot ministries, namely, the Ministry of Commerce, Trade, Tourism and Transport and the Ministry of Fisheries; and (iii) agreed that Gender Responsive Budgeting principles will be rolled out to other ministries in the future; as evidenced by: (a) the Financial Management (Amendment) Bill 2021; and (b) the letter from the Ministry of Economy of the Borrower to the International Bank for Reconstruction and Development, dated February 11, 2021.

Section II. Availability of Loan Proceeds

- A. General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.
- B. Allocation of Loan Amounts.** The Loan is allocated in: (a) a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds; and (b) the amounts requested by the Borrower to pay the Front-end Fee. The allocation of the amounts of the Loan to this end is set out in the table below:

Allocations	Amount of the Loan Allocated (expressed in Dollars)
(1) Single Withdrawal Tranche	24,937,500
(2) Front-end Fee	62,500
TOTAL AMOUNT	25,000,000

C. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower's macroeconomic policy framework.

D. Deposit of Loan Amounts.

The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount

has been accounted for in the Borrower's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

E. Audit. Upon the Bank's request, the Borrower shall:

1. have the account referred to in Section 2.03 (a) of the General Conditions audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank;
2. furnish to the Bank as soon as available, but in any case not later than nine (9) months after the end of the Borrower's fiscal year, a certified copy of the report of such audit, of such scope and in such detail as the Bank shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Bank; and
3. furnish to the Bank such other information concerning the account referred to in Section 2.03 (a) of the General Conditions and their audit as the Bank shall reasonably request.

F. Closing Date. The Closing Date is March 25, 2024.

SCHEDULE 2

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each February 15 and August 15 Beginning August 15, 2026 through February 15, 2039	3.7%
On August 15, 2039	3.8%

APPENDIX

Definitions

1. “Cat-DDO Financing Agreement” means the financing agreement for the Program between the Borrower and the Association, with a Catastrophe Deferred Drawdown Option, dated the same date as this Agreement, as such financing agreement may be amended from time to time. “Cat-DDO Financing Agreement” includes all appendices, schedules and agreements supplemental to the Cat-DDO Financing Agreement.
2. “Financing Agreement” means the agreement between the Borrower and the Association in support of the Program, of the same date as this Agreement, as such agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.
3. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing”, dated December 14, 2018 (revised on August 1, 2020, and on December 21, 2020).
4. “Ministry of Commerce, Trade, Tourism and Transport” means the Recipient’s Ministry of Commerce, Trade, Tourism and Transport, or any successor thereto.
5. “Ministry of Economy” means the Recipient’s Ministry of Economy, or any successor thereto.
6. “Program” means: the program of objectives, policies, and actions set forth or referred to in the letter dated February 11, 2021 from the Borrower to the Bank declaring the Borrower’s commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program’s objectives.
7. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
8. “Single Withdrawal Tranche” means the amount of the Loan allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.