

May 23, 2018

The Hon. Aiyaz Sayed-Khaiyum
Attorney-General and Minister of Economy, Public Enterprises,
Public Service and Communications
Ministry of Economy
Suva
FIJI

Dear Minister,

***Republic of Fiji: Amended and Restated Grant Agreement for
Republic of Fiji's Readiness Preparation Proposal
Readiness Fund of the Forest Carbon Partnership Facility (FCPF)
FCPF Grant No TF019204***

I refer to the Grant Agreement between the Republic of Fiji ("Recipient") and the International Bank for Reconstruction and Development ("World Bank"), acting as trustee of the Readiness Fund of the Forest Carbon Partnership Facility ("FCPF") FCPF Grant No. TF019204, dated April 10, 2015 ("Readiness Grant Agreement"), pursuant to which the World Bank agreed to provide to the Recipient a grant in an amount of three million eight hundred thousand Dollars (US\$3,800,000) ("Original Grant"), for formulating and carrying out the Readiness Preparation Proposal and Readiness Preparation Activities.

The Participants Committee of the FCPF ("PC") has reviewed the request for an additional funding submitted by the Recipient, in accordance with the process as specified in Resolution PC/12/2012/2. Through its Resolution PC/Electronic/2018/2, the PC decided to allocate additional grant funding to the Recipient in the amount of up to two million United States Dollars (US\$2,000,000), to enable it to continue with the carrying out of the R-PP, subject to the terms and conditions set out in said Resolution.

In response to the request for financial assistance made on behalf of the Recipient and the decisions of the PC referred to above, the World Bank has agreed to extend to the Recipient two million United States Dollars (US\$2,000,000) ("Additional Grant"). Accordingly, the World Bank proposes to amend and restate the Readiness Grant Agreement ("Agreement") to read as above and as follows:

The World Bank agrees to increase the total grant amount made available to the Recipient for the carrying out of the Readiness Preparation Activities to five million eight hundred thousand United States Dollars (US\$5,800,000), which consists of: (a) the Original Grant equal to three million eight hundred thousand United States Dollars (US\$3,800,000); and (b) the Additional Grant equal to two million United States Dollars (US\$2,000,000) (together referred to as the "Grant"), upon the terms and conditions set forth or referred to in this Agreement, which includes the attached Annex.

This Grant is funded out of the abovementioned FCPF trust fund for which the World Bank receives periodic contributions from the donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Readiness Preparation Activities in accordance with the terms and conditions set forth or referred to in this Agreement.

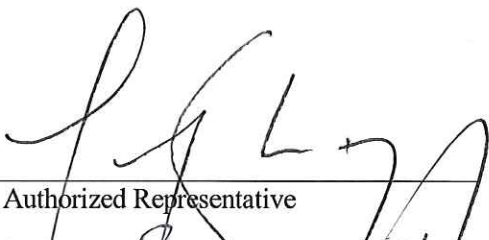
Since the execution of the Readiness Grant Agreement, the Charter Establishing the FCPF ("Charter") has been amended, and the terms and conditions of this Agreement are based on the Charter, as so amended. Where there are inconsistencies between the Readiness Grant Agreement and this Agreement including in the use of terms, the provisions in this Agreement shall prevail and deemed to have accordingly amended the provisions of the Readiness Grant Agreement to eliminate any such inconsistency.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(Acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility)

By 
Michel Kerf
Country Director
Papua New Guinea & Pacific Islands
East Asia and Pacific Region

AGREED:
REPUBLIC OF FIJI

By: 
Authorized Representative
Name: Aiyaz Sayed-Khatami
Title: Attorney - General & Minister for Economy
Date: 28/06/18.

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- (2) Disbursement Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017
- (3) Charter Establishing the Forest Carbon Partnership Facility, dated November 23, 2015.
- (4) 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.
- (5) Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, revised July 2014.
- (6) Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, revised July 2014.

ANNEX

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions, with the modifications set forth in the Appendix to this Grant Agreement, constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, the Charter or in this Agreement (including the cover letter to this Agreement and this Section) as follows:

- (a) "Anti-Corruption Guidelines" means 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.
- (b) "Environmental and Social Management Framework" or "ESMF" means the environmental and social management framework acceptable to the World Bank, which establishes the modalities and procedures to address potential negative environmental and social impacts from the implementation of REDD+ investments and demonstration activities as well as associated mitigation measures through employing best practices; and includes the screening criteria, procedures and institutional responsibilities for the safeguard policies that are triggered for subsequent REDD+ investments.
- (c) "Divisional REDD+ Working Groups" means the Recipient's Divisional REDD+ Working Groups within the Forest Department supporting the Readiness Preparation Activities at the divisional level.
- (d) "Forest Board" means the decision making body established by the 1992 Forest Decree under the Recipient's ministry in charge of fisheries and forests.
- (e) "Forest Department" means the Recipient's Department of Forestry in the Ministry of Agriculture and Forestry, or any successor thereto.
- (f) "National REDD+ Steering Committee" means the multi-sectoral committee established by the Recipient's Forestry Board, composed of representatives from the government agencies, non-governmental organizations, private sector, resource owner groups, academic institutions and regional organizations.
- (g) "National REDD+ Unit" means the unit which will be established by this Grant within the Forestry Department of the Recipient to manage implementation of the Readiness Preparation Activities.
- (h) "Operating Costs" means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of the implementation of the Readiness Preparation Activities, consisting of vehicle operation and maintenance, communication, and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel costs and *per diem* for Readiness Preparation Activity staff for travel linked to the implementation of the Readiness Preparation Activities, and salaries of contractual staff for Readiness Preparation Activities (but excluding consultants' services and salaries of officials of the Recipient's civil service).

- (i) “REDD+” means reducing greenhouse gas emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.
- (j) “Resettlement Policy Framework” and “RPF” means the resettlement policy framework acceptable to the World Bank, which establishes the modalities and procedures to address potential land acquisition and resettlement from the implementation of REDD+ investments and demonstration activities.
- (k) “Safeguard Documents” means the ESMF, SESA and RPF acceptable to the World Bank.
- (l) “Strategic Environmental and Social Assessment” or “SESA” means the strategic environment and social assessment to be conducted by the Recipient as part of the readiness process to assess the potential impacts from national REDD+ programs and policies, formulate alternatives and mitigation strategies and enhance the decision-making process around the design of the national REDD+ framework.
- (m) “Standard Conditions” means the Standard Conditions for Grants made by the World Bank out of Various Funds dated February 15, 2012.
- (n) “Training and Workshops” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Readiness Preparation Activities, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses and workshop preparation and implementation (but excluding goods and consultants’ services).

Article II

Project Execution

2.01. ***Readiness Preparation Activities Objectives and Description.*** The objective of the Grant is to assist the Recipient to carry out the Readiness Preparation Activities by supporting the preparation of its REDD+ strategy through a participatory and inclusive process and the establishment of a national measurement, reporting and verification system, and by producing technical work and policy advice to help strengthen the Recipient’s sustainable land and forest management practices. The Readiness Preparation Activities consists of the following parts:

Component 1: Institutional Strengthening for REDD+

Carrying out a program of activities designed finalize the operationalization and strengthen the capacity of essential REDD+ institutions, including: a) providing human, technical and operational resources to the National REDD+ Unit; b) assessing and strengthening feedback and grievance redress mechanisms for REDD+ at the national and decentralized levels and, as necessary and appropriate, establishing a new feedback and grievance redress mechanism; c) supporting the National REDD+ Steering Committee to conduct and participate in meetings, field visits, regional peer to peer exchanges, and climate change and REDD+ events; d) supporting the Divisional REDD+ Working Groups to conduct and participate in meetings, field trips and training; e) stakeholder engagement, communications, awareness and outreach

activities; and f) developing and implementing a short-term academic module on sustainable land and forest management practice, including subsidizing student travel and accommodation.

Component 2: Development of a REDD+ Strategy

Carrying out a program of activities designed to finalize the development of the REDD+ strategy, including: (a) supporting analytical work to prepare and finalize the national REDD+ strategy; (b) undertaking the SESA and preparing the ESMF; (c) conducting consultations on key issues related to REDD+; (d) development of an action plan detailing REDD+ strategy options for addressing the issues and drivers identified in the analytical work for the REDD+ strategy; (e) awareness activities and training for relevant stakeholders on the Recipient's existing forestry codes and regulations; and (f) technical assistance and capacity building to strengthen the Recipient's carbon registry database system.

Component 3. Establishment of a Monitoring System for REDD+

Carrying out a program of activities designed to finalize the Recipient's monitoring system for REDD+, including: (a) designing and developing a reference emission level, including forest investigations, data collection and methodology testing necessary to establish a forest reference levels, biomass equations and carbon stock estimates; (b) designing and developing a measuring, reporting and verification system, including relevant inventory guidelines; (c) designing and developing a safeguards information system, including identifying and strengthening the capacity of an institution to monitor REDD+ co-benefits and safeguards; (d) reviewing and strengthening the national forest inventory design and system integration; (e) studies and analyses of forest activities; and (f) review and development of permanent sample plots and methodologies for national forest inventories.

2.02. **Readiness Preparation Activities Execution Generally.** Readiness Preparation Activities. To this end, the Recipient shall carry out the Readiness Preparation Activities through the Recipient's Forestry Department in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. **Institutional and Other Arrangements.** Without limitation upon the provisions of Section 2.02 above, the Recipient shall ensure that, throughout the period of implementation of the Readiness Preparation Activities, the Forestry Department, the National REDD+ Steering Committee, and the National REDD+ Unit, have assigned staff and resources in adequate number acceptable to the World Bank, in order to carry out the Readiness Preparation Activities.

2.04 **Safeguards.** Without limitation upon the provision of Section 2.02 above and in order to ensure proper implementation of the Readiness Preparation Activities in an environmentally and socially responsible manner, the Recipient shall:

(a) ensure that all: (i) terms of reference for any technical assistance or studies carried out under the Readiness Preparation Activities; and (ii) Safeguard Documents to be prepared for the Readiness Preparation Activities are so prepared in a manner acceptable to the World Bank and consistent with World Bank's environmental and social safeguard policies, as well as the Recipient's own laws relating to the environment and social aspects;

(b) draft any laws or regulations under the Readiness Preparation Activities in a manner that is consistent with said policies and laws; and

(c) in carrying out the SESA, engage with broad stakeholders including civil society organizations, and carry out free, prior and informed consultations with forest dependent people and ethnic groups leading to their broad community support to the objectives and outputs of the Readiness Preparation Activities.

2.05. **Completion Report.** The Recipient shall prepare and furnish to the World Bank not later than six months after the Closing Date, a Completion Report in accordance with the provision of Section 2.06 of the Standard Conditions.

2.06. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Readiness Preparation Activities.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the to visit any part of the Recipient's territory for purposes related to this Readiness Preparation Activities.

2.07 **Documents; Records**

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Readiness Preparation Activities are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.08. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Readiness Preparation Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.09. **Procurement** (a) All goods, non-consulting services, and/or consulting services required for the Readiness Preparation Activities and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the "Guidelines; Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants

by World Bank Borrowers,” dated January 2011, revised July 2014 (“Procurement Guidelines”), and the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers,” dated January 2011, revised July 2014 (“Consultant Guidelines”).

(b) Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.

(c) Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section 3.03 of this Agreement; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donor.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing”, dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods, consultants’ services, non-consulting services, Operating Costs, and Training and Workshops inclusive of Taxes.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2020.

Article IV Recipient’s Representative; Addresses

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time responsible for finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile
679-330-0834

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391

APPENDIX
Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The following term and definition shall be added to the Appendix to the Standard Conditions as paragraph 18 bis to read as follows:

18bis “‘Readiness Preparation Activities’ means the activities, described in the Agreement, for which the Grant is made, as the description of said activities may be amended from time to time by agreement between the Recipient and the World Bank.”

2. The term “Project” and its definition shall be deleted in their entirety from the Standard Conditions; and all references throughout the Standard Conditions to the term “Project” shall be deemed to refer to the “Readiness Preparation Activities.”