

**COMPACT DEVELOPMENT FUNDING GRANT AGREEMENT**

**BETWEEN**

**THE MILLENNIUM CHALLENGE CORPORATION**

**AND**

**THE REPUBLIC OF FIJI**

**ACTING THROUGH THE MINISTRY OF FINANCE**

**Dated February 28, 2026**

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## COMPACT DEVELOPMENT FUNDING GRANT AGREEMENT

This COMPACT DEVELOPMENT FUNDING GRANT AGREEMENT (this, “*Agreement*”), dated February 28, 2026, is made between the Millennium Challenge Corporation, a United States Government corporation (“*MCC*”), and the Republic of Fiji (the “*Government*”), acting through the Ministry of Finance (the “*Ministry*”). The Government and MCC are referred to herein as the “*Parties*” and each, individually, a “*Party*.” Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings given to such terms in Exhibit A.

### RECITALS

WHEREAS, the Board of Directors of MCC has determined that Fiji is eligible for assistance from MCC, and the Parties are seeking to enter into a Millennium Challenge Compact to reduce poverty through economic growth in Fiji (a “*Compact*”);

WHEREAS, the Parties wish to facilitate the development and implementation of the proposed Compact (the “*Objective*”) and to engage in certain activities described herein;

WHEREAS, MCC wishes to make a grant to the Government to support such activities under the authority of Section 609(g) of the Millennium Challenge Act of 2003, as amended (funding under Section 609(g) of the Millennium Challenge Act of 2003 shall be referred to as the “*Compact Development Funding*” or “*CDF*”);

WHEREAS, to facilitate the development of the Compact, the Government shall establish a team of staff and consultants of the Government who work on the development of the compact program (collectively, “*Compact Development Team*” or “*CDT*”) within the Ministry that is empowered to implement some or all of the Government’s obligations under this Agreement;

WHEREAS, to facilitate the development and implementation of a Compact, the Government shall establish an institution to be named MCA-Fiji (“*MCA-Fiji*”) that shall be empowered to implement some or all of the Government’s obligations under this Agreement and the Compact; and

WHEREAS, management of the Grant and any procurements and contracts under the Grant may be performed by MCC, or subject to MCC’s approval, MCA-Fiji or another Permitted Designee (as defined in Section 4.2(b)(i));

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

**ARTICLE 1.**  
**MCC GRANT**

Section 1.1 MCC Grant. MCC hereby grants to the Government, under the terms of this Agreement, an amount not to exceed twelve million U.S. Dollars (US\$12,000,000) (the “**Grant**”) to fund the activities described in more detail in Annex I (each, an “**Activity**” and, collectively, the “**Activities**”).

Section 1.2 Financial Plan. The Grant funding shall be allocated among the Activities as generally described in Annex II or as otherwise agreed in accordance with Section 7.9 of this Agreement.

**ARTICLE 2.**  
**IMPLEMENTATION FRAMEWORK FOR GOVERNMENT-CONTRACTED  
ACTIVITIES**

Section 2.1 CDF Implementation Documents. The framework for implementation of each of the Government-contracted activities, as described in Annex I (the “**Government-Contracted Activities**”) shall be further elaborated in a set of documents, in form and substance approved by MCC, consisting of: (i) the CDF Detailed Financial Plan, (ii) one or more CDF Procurement Plans, and (iii) one or more Government Service Provider Contracts (collectively, the “**CDF Implementation Documents**”). MCC may review the CDF Implementation Documents, or any portion thereof and, as necessary, request the Government submit clarifications or adjustments.

(a) CDF Detailed Financial Plan. The Permitted Designee shall develop, adopt, and implement a detailed financial plan in accordance with the MCC QDRP Policy, setting forth funding requirements for each of the Government-Contracted Activities (including administrative costs), broken down to the sub-activity level (or lower, where appropriate), and projected both on a commitment and cash requirement basis (as supplemented or otherwise modified from time to time, the “**CDF Detailed Financial Plan**”).

(b) CDF Procurement Plan. The Permitted Designee shall develop a procurement plan relating to the Activities (“**CDF Procurement Plan**”) and submit such CDF Procurement Plan to MCC for approval before commencing the relevant procurement with respect to any Government-Contracted Activities. Each CDF Procurement Plan shall identify, among other things, the method of procurement for the goods, works, or services to be procured. The Permitted Designee shall ensure, except for MCC-contracted Activities (as defined in Annex I, the “**MCC-Contracted Activities**”), that all goods, works or services are procured using the procurement method as approved in each CDF Procurement Plan, and shall comply with the method of procurement outlined in such CDF Procurement Plan.

(c) Service Provider Contracts. As identified in the CDF Procurement Plan, and consistent with the Activities in Annex I, each of MCC or the Permitted Designee, as the case

may be, may procure and manage the services of one or more providers of goods, works, or services to implement each of the Activities.

(i) Government Service Provider Contracts. The Permitted Designee shall procure and manage the services of one or more providers of goods, works, or services for each of the Government-Contracted Activities (each a “**Government Service Provider**”) in accordance with Section 2.2 below, and the Permitted Designee shall enter into one or more contracts, in a form acceptable to MCC, with the Government Service Providers implementing the Government-Contracted Activities (“**Government Service Provider Contracts**”). The Permitted Designee shall be the primary point of contact for each Government Service Provider throughout the term of each Government Service Provider Contract. Any and all instructions to the Government Service Provider shall be made by and through the Permitted Designee unless otherwise provided in such Government Service Provider Contract. No Government Service Provider Contract may be assigned by the Permitted Designee without the prior approval of MCC.

(ii) MCC Service Provider Contracts. MCC shall procure and manage the services of one or more providers of goods, works, or services for each of the MCC-Contracted Activities (each a “**MCC Service Provider**”) and in accordance with the U.S. Government’s Federal Acquisition Regulation. MCC shall enter into one or more contracts with the MCC Service Providers implementing the MCC-Contracted Activities (“**MCC Service Provider Contracts**”). MCC shall be the primary point of contact for each MCC Service Provider throughout the term of each MCC Service Provider Contract. All instructions to the MCC Service Provider shall be made by and through MCC, unless otherwise provided in such MCC Service Provider Contract.

(iii) For the purposes of this Agreement, (A) MCC Service Providers and Government Service Providers shall be collectively referred to herein as “**Service Providers**” and (B) MCC Service Provider Contracts and Government Service Provider Contracts shall be collectively referred to herein as “**Service Provider Contracts**.”

## Section 2.2 Procurement.

(a) Procurement Policy and Guidelines. The Permitted Designee shall comply with the “Procurement Policy and Guidelines” provided by MCC or posted on the MCC Website (the “**Procurement Policy and Guidelines**”) in the procurement (including solicitation) of goods, works, and services and the award and administration of contracts for each of the Government-Contracted Activities.

(b) Procurement Agent. Except as MCC otherwise agrees, any reference in this Agreement to the “**Procurement Agent**” shall be deemed a reference to (i) any interim service provider approved by MCC to provide procurement agent services until such time as the Permitted Designee delivers to MCC a true and complete copy of a duly-executed procurement agent agreement or other instrument in form and substance satisfactory to MCC (the “**Procurement Agent Agreement**”), and the party named as procurement agent therein has mobilized or (ii) thereafter, the Service Provider named in the Procurement Agent Agreement.

(c) Interim Procurement Operations Manual. Unless MCC has agreed to act as the Procurement Agent, prior to undertaking any procurements for the Government-Contracted Activities, the Government shall develop, adopt, and implement a manual (as approved by MCC), as may be updated from time to time, describing applicable procedures for executing procurement functions, including but not limited to preparing procurement documents, conducting procurements, and administering contracts (the “**Interim Procurement Operations Manual**”). The provisions of the Interim Procurement Operations Manual shall apply as relevant to the procurements the Permitted Designee will undertake, and shall include basic forms for procurement notices and recordkeeping, and processes to ensure adequate MCC oversight and approval of procurement documents and actions.

### Section 2.3 Fiscal Accountability.

(a) Fiscal Agent. Except as MCC otherwise agrees, any reference in this Agreement to the “**Fiscal Agent**” shall be deemed a reference to (i) any interim service provider approved by MCC to provide fiscal agent services until such time as the Permitted Designee delivers to MCC a true and complete copy of a duly executed fiscal agent agreement or other instrument in form and substance satisfactory to MCC (the “**Fiscal Agent Agreement**”), and the party named as fiscal agent therein has mobilized or (ii) thereafter, the Service Provider named in the Fiscal Agent Agreement. Except as MCC otherwise agrees, the Fiscal Agent shall be responsible for, among other things, (A) ensuring and certifying that Disbursements are properly authorized and documented in accordance with established control procedures set forth in the Fiscal Agent Agreement and Bank Agreement(s) as applicable, (B) instructing a Bank to make Disbursements from a Permitted Account or requesting Disbursements be made directly to a provider as payment for goods, works or services in accordance with MCC’s Common Payment System following applicable certification by the Fiscal Agent, (C) providing applicable certifications for Disbursement Requests, (D) maintaining proper accounting of all financial transactions involving Grant funding, and (E) producing reports on Disbursements in accordance with established procedures set forth in the Interim Fiscal Accountability Plan.

(b) Interim Fiscal Accountability Plan. Except as MCC otherwise agrees, the Permitted Designee shall develop, adopt and implement a manual (as approved by MCC), as may be updated from time to time, setting forth the principles, mechanisms, and procedures (the “**Interim Fiscal Accountability Plan**”) that shall be used to ensure appropriate fiscal accountability for the use of the Grant funding for the Government-Contracted Activities. The Interim Fiscal Accountability Plan shall also include, among other things, requirements with respect to: (i) budgeting, (ii) accounting, (iii) financial transactions (receipts and payments), (iv) opening and managing permitted accounts, and (v) reporting.

## ARTICLE 3.

### DISBURSEMENT OF GRANT FUNDING

#### Section 3.1 Disbursement Process for MCC-Contracted Activities.

(a) MCC Service Provider Disbursements. Subject to Section 3.1(b) and except as otherwise agreed in writing by the Parties, MCC shall make disbursements of the Grant from

time to time for the MCC-Contracted Activities, directly to each MCC Service Provider that has entered into an MCC Service Provider Contract with MCC (each, an “**MCC Service Provider Disbursement**”). The Government hereby consents to the MCC-Contracted Activities and any related MCC Service Provider Disbursement.

(b) Prior to any disbursement of the Grant for the MCC-Contracted Activities that would otherwise be subject to taxation by the Government but for this Section 3.1(b), the Government shall have entered into a tax exemption agreement or have implemented such other mechanism acceptable to MCC to establish or give effect to Section 4.2(k), and such mechanism shall be in full force and effect.

### Section 3.2 Disbursement and Reimbursement Processes for Government-Contracted Activities.

(a) The Government, through MCA-Fiji or the Permitted Designee, may request:

(i) that disbursements of the Grant be authorized (each, a “**Disbursement**”) for the Government-Contracted Activities by submitting a written request to MCC in accordance with the MCC QDRP Policy. Requests may be made on a quarterly basis for the upcoming quarter, or such other period as approved by MCC (such quarter or other period of time, each a “**Disbursement Period**”) and shall be accompanied by various reports and other information related to program implementation (each request together with such reports and information, a “**Disbursement Request**”); and

(ii) disbursements of the Grant to reimburse Eligible Costs (each, a “**Reimbursement**”) by submitting a written request to MCC in accordance with the terms set forth in Annex IV (each a, **Reimbursement Request**) at least ten (10) business days prior to the requested date of payment (or such other period of time as may be agreed by MCC). Unless otherwise agreed by MCC, the Government may submit only one Reimbursement Request for each month (such month, or any other period of time as agreed by MCC, the “**Reimbursement Period**”). MCC’s approval of a Reimbursement Request shall be subject to satisfaction of the requirements set forth in Annex IV and the condition precedent to Disbursement set forth in Section 3.4(b) and, as applicable, Section 3.4(c). Upon MCC’s approval of the Reimbursement Request, the proceeds of the Reimbursement may be transferred to the account designated by the Government to receive the funding.

(b) Approval of Disbursement Requests; Release of Proceeds.

(i) Upon receipt of a Disbursement Request, MCC shall determine the appropriate amount of the Disbursement permitted for the applicable Disbursement Period based on, among other things, (A) progress achieved under the CDF Implementation Documents, (B) the amount of funds required to complete the Activities described in the Disbursement Request during such Disbursement Period, and (C) the satisfaction, waiver, or deferral of the conditions precedent applicable to the requested Disbursement.

(ii) MCC may, in its sole discretion, reject any Disbursement Request completely, or reject or reduce the amount of any Disbursement requested thereunder, based on

among other things, (A) any modification made to the CDF Implementation Documents or (B) any of the conditions precedent in Sections 3.3 and 3.4 and Annex V of this Agreement not having been satisfied, waived, or deferred.

(iii) Upon MCC's approval of a Disbursement Request, the proceeds of the Disbursement approved thereunder may be transferred, at MCC's sole election, (A) to a Permitted Account, or (B) directly to a Government Service Provider as payment for goods, works or services in accordance with MCC's Common Payment System. Payments to Government Service Providers and other expenditures of Grant funding during the relevant Disbursement Period (including amounts transferred directly to a Service Provider) shall be made only as authorized by the Government and certified by the Fiscal Agent, or as otherwise agreed by the Parties, in accordance with the approved CDF Detailed Financial Plan and the standards and procedures set forth in the Interim Fiscal Accountability Plan approved by MCC.

(c) Permitted Accounts.

(i) From time to time as authorized or directed by MCC, the Government shall establish (or cause to be established) bank accounts, denominated in Fijian Dollars or in U.S. Dollars, and on terms and at a financial institution acceptable to MCC, that are necessary or otherwise appropriate to fulfil the terms of this Agreement (any such account, a "**Permitted Account**"). Before any Grant funding is deposited into a Permitted Account, the Government shall enter, or ensure that MCA-Fiji enters, into a bank agreement, in form and substance satisfactory to MCC, with the financial institution approved by MCC to hold such Permitted Account (each a "**Bank**"), which sets forth the signatory authority, access rights, anti-money laundering and anti-terrorist financing provisions, and other terms related to such Permitted Account (each a "**Bank Agreement**"). The terms and operation of the Permitted Accounts shall be set forth in the Interim Fiscal Accountability Plan and the Bank Agreement.

(ii) Unless otherwise authorized by MCC, no other funds shall be commingled in a Permitted Account other than the Grant funding and any accrued interest thereon. Any funding provided by the Government (the "**Government Funds**") shall be kept in a separate Permitted Account, and no other funds shall be commingled in such Permitted Account other than the Government Funds and any other interest accrued thereon. MCC shall have the right, among other things, to view any Permitted Account statements and activity directly on-line, and where such viewing is not feasible, the Government shall provide copies of such statements to MCC upon its request.

(iii) The Government shall ensure that any Grant funding held in a Permitted Account accrues interest or other earnings in accordance with the applicable Bank Agreement. On a quarterly basis and upon the termination or expiration of this Agreement or the relevant Bank Agreement, the Government shall ensure the transfer of all interest accrued on any Grant funding held in a Permitted Account to MCC.

(iv) The Government shall provide in writing to MCC and the Fiscal Agent the account name, designated account number and wire transfer instructions for transfers to Permitted Accounts (the "**Account and Wire Transfer Information**") no later than ten business days prior to the date on which the initial deposit is to be made to a Permitted Account. In the

event that any Permitted Account or the related Account and Wire Transfer Information changes during the term of this Agreement, the Government shall provide to MCC and the Fiscal Agent the new information as soon as practicable, but in no event later than ten business days prior to the requested date for the next Disbursement.

Section 3.3 Conditions Precedent to the Initial Disbursement for Government-Contracted Activities and the Initial Disbursement to a Permitted Account. The conditions set forth in (a) through (e) below of this Section 3.3 must be met to MCC's satisfaction before the initial Disbursement of Grant funding for Government-Contracted Activities (except as such conditions may be waived or deferred by MCC in its sole discretion). Prior to the Initial Disbursement of Grant funding to a Permitted Account, the condition set forth in (f) below must also be met to MCC's satisfaction.

(a) Evidence of Tax Exemption Mechanism. MCC is satisfied that the Government has entered into a tax exemption agreement or such other mechanism acceptable to MCC to establish or give effect to Section 4.2(k), and such mechanisms are in full force and effect;

(b) Procurement Agent Services. Designation of an entity or individual to provide procurement agent services, as approved by MCC, until such time as the Government provides to MCC a true and complete copy of the Procurement Agent Agreement, duly executed and in full force and effect, and the Procurement Agent engaged thereby is mobilized;

(c) Fiscal Agent Services. Designation of an entity or individual to provide fiscal agent services, as approved by MCC, until such time as the Government provides to MCC a true and complete copy of the Fiscal Agent Agreement, duly executed and in full force and effect, and the Fiscal Agent engaged thereby is mobilized;

(d) Interim Fiscal Accountability Plan. Adoption of an Interim Fiscal Accountability Plan acceptable to MCC;

(e) Satisfaction of Other Conditions Precedent. Satisfaction of each of the conditions set forth in Section 3.4; and

(f) Bank Agreement. Delivery of a true and complete copy of the relevant Bank Agreement, duly executed and in full force and effect as of the date of the related Disbursement Request.

Section 3.4 Conditions Precedent to all Disbursements of Government-Contracted Activities. The following conditions must be met to MCC's satisfaction before each Disbursement of Grant funding for the Government-Contracted Activities, including the initial Disbursement (except as such conditions may be waived or deferred by MCC in its sole discretion):

(a) Delivery of a completed Disbursement Request covering the related Disbursement Period, in accordance with the MCC QDRP Policy;

(b) Each of the Government's representations and warranties set forth in Section 4.1 of this Agreement are true and correct on and as of the date on which the related Disbursement Request is submitted and as though made on and as of such date;

(c) No material breach of any responsibility, covenant, or obligation under this Agreement or any other related agreement (including the Bank Agreement, the Fiscal Agent Agreement, the Procurement Agent Agreement and any Service Provider Contract) by any Permitted Designee has occurred and is continuing on and as of the date of the Disbursement Request; and

(d) If requested by MCC, delivery of a certificate from each of the Permitted Designee, the Procurement Agent and/or the Fiscal Agent, in each case in form and substance satisfactory to MCC.

(e) Any further conditions specified in Annex V.

#### **ARTICLE 4.**

#### **GOVERNMENT REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 4.1 Government Representations and Warranties. The Government hereby represents and warrants to MCC that:

(a) Power; Authorization. The Government has, and each Permitted Designee shall have, the power and authority to execute, deliver, and perform its obligations under this Agreement, and under each other agreement, certificate, or instrument contemplated hereby, as applicable, and none of such actions violate or will violate any other obligation of any Permitted Designee. The signatory of this Agreement is duly empowered to act on behalf of and bind the Government with respect to the obligations contained herein.

(b) No Conflict. This Agreement does not, and shall not, conflict with any international agreement or obligation binding on the Government or any of the laws of Fiji.

(c) Information. The information provided to MCC by or on behalf of the Government in connection with this Agreement, including, without limitation, information provided to MCC in the course of reaching this Agreement, is true, correct and complete in all material respects.

Section 4.2 Government Responsibilities and Covenants.

(a) Principal Responsibility. The Government is responsible for overseeing and managing the implementation of the Government-Contracted Activities.

(b) Permitted Designee.

(i) Subject to the prior written approval of MCC, the Government may designate one or more entities to implement and perform some or all of the Government's

obligations or to exercise any rights of the Government under this Agreement (each such entity, a “*Permitted Designee*”), *provided that* such a designation shall not relieve the Government of any obligations and rights under this Agreement, for which the Government shall retain full responsibility.

(ii) The Government hereby designates the CDT to manage the implementation of the Activities, including entering into and managing the Government Service Provider Contracts until such time as MCA-Fiji: (A) is formed, (B) is approved by MCC to perform the functions and responsibilities herein, and (C) replaces the CDT as the Government’s Permitted Designee. The Parties agree that, following MCA-Fiji’s formation and approval by MCC, MCA-Fiji shall provide notice to all Parties of its intention to join this Agreement, and upon receipt of such notice by all Parties, MCA-Fiji shall validly join this Agreement and replace the CDT as the Government’s Permitted Designee. MCC hereby acknowledges and consents to the designation of the CDT as contemplated by this Section 4.2(b)(ii). The Government hereby confirms to MCC that the CDT has the authority to enter into obligations and act on behalf of the Government with regard to all Activities.

(c) No Violation of Law. The Government agrees that in the event that any law or regulation of Fiji makes unlawful or otherwise prevents or hinders the performance of any of its obligations under this Agreement, any Service Provider Contract, any other related agreement, or any transaction contemplated hereby, MCC may in its sole discretion immediately terminate this Agreement in accordance with Section 6.2.

(d) Liens. The Government shall ensure that neither the Grant nor any asset acquired with Grant funding shall be subject to any impoundment, rescission, sequestration, liquidation, lien, attachment, enforcement of judgment, pledge, or encumbrance of any kind (each a “*Lien*”), except with MCC’s prior written approval. In the event any Lien not so approved is imposed, the Government shall promptly seek the release of such Lien and, if such Lien is imposed by a final non-appealable court order, shall pay any amounts due in order to obtain such release; *provided that* the Government shall not apply any Grant funding or other funds received from MCC (or assets acquired with funds provided by MCC) to satisfy any such obligation.

(e) Insurance; Guaranties. The Government shall cause all assets acquired with Grant funding to be insured (including, subject to compliance with MCC’s Cost Principles, through self-insurance) and shall arrange such other appropriate insurance to cover against risks or liabilities associated with the Activities and the transactions contemplated thereby, including by requiring Service Providers to obtain adequate insurance and to post adequate bonds or other guaranties as relevant. In the event of loss or damage to any assets acquired with Grant funding, if the insurance acquired by the Government is insufficient to fully replace the asset, the Government shall be liable to cover any additional costs. Subject to the terms of the Cost Principles, Grant funding may be used to pay the costs of obtaining such insurance. The Permitted Designee shall be named as the payee on any such insurance and the beneficiary of any such guaranty or bonds. If not already named as an insured party, the MCA-Fiji or applicable Permitted Designee and MCC (if it so requests) shall be named as additional insureds on any such insurance. The Government shall ensure that any proceeds from claims paid under such insurance or guaranty shall be used to replace or repair any lost, stolen or damaged assets

acquired with Grant funding; *provided that* at MCC's election, such proceeds shall be deposited in an account as designated by or as otherwise directed by MCC.

(f) Autonomy. The Government shall ensure that (i) no decision of any Permitted Designee is modified, supplemented, unduly influenced, or rescinded by any governmental authority, except by a non-appealable judicial decision or as otherwise approved by MCC, and (ii) the authority of any Permitted Designee shall not be expanded, restricted, or otherwise modified, to the extent such decision or authority is related to this Agreement or the Compact, except in accordance with this Agreement or as approved by MCC.

(g) Further Assurances. The Government shall promptly do and perform such other and further acts, and take all necessary and appropriate actions, including using its best efforts to obtain all necessary approvals and consents to otherwise effectively carry out the obligations of the Government set forth in this Agreement.

(h) Performance Liabilities. No Grant funding or any other funding received from MCC (or assets acquired with funds provided by MCC) shall be used to pay any damages, including without limitation any indemnification-related payments, incurred or owed by any Permitted Designee under any agreement between the Government, or MCA-Fiji or any Permitted Designee, on the one hand, and any Service Provider or other third party.

(i) Government Resources.

(i) The Government shall provide all funds and other resources, and shall take all actions, that are necessary to carry out the Government's responsibilities and obligations under this Agreement, and to ensure timely and efficient completion of the Compact development process.

(ii) The Government shall use its best efforts to ensure that the amount of Grant funding it receives or is projected to receive in each of its fiscal years is fully accounted for in its annual budget.

(iii) Unless the Government discloses otherwise to MCC in writing, Grant funding shall be in addition to the resources that the Government would otherwise receive or budget for the Activities.

(j) Use of Funds.

(i) The Government shall ensure that the Grant and any assets or services funded by the Grant, in whole or in part, shall be used solely in furtherance of this Agreement and the Activities.

(ii) The Government also shall ensure that no Grant funding shall be used for any purpose that would violate United States law or policy, as specified in this Agreement or as further notified to the Government in writing by MCC or by posting at [www.mcc.gov](http://www.mcc.gov) (the "*MCC Website*"), including but not limited to the following purposes:

(A) for assistance to, or training of, the military, police, militia, national guard, or other quasi-military organization or unit;

(B) for any activity that is likely to cause a substantial loss of United States jobs or a substantial displacement of United States production;

(C) to undertake, fund or otherwise support any activity that is likely to cause a significant environmental, health, or safety hazard as further described in MCC's environmental guidelines provided by MCC or posted on the MCC Website; or

(D) to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations or to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.

(k) Taxes.

(i) The Government shall ensure that all Grant funding is free from all taxes, duties, levies, and other similar charges imposed by or in Fiji (whether at the national, regional, local, or other level) (but not fees or charges for services that are generally applicable in Fiji, reasonable in amount and imposed on a non-discriminatory basis) ("Taxes"). Without limiting the broad scope of the previous sentence, the Grant shall be free from any and all (A) tariffs, customs duties, import taxes, export taxes, and other similar charges on any goods, works or services introduced into Fiji in connection with the Activities; (B) tariffs, customs duties, import taxes, export taxes, and other similar charges on any personal effects, vehicles, equipment, supplies, or other items imported into Fiji by any personnel (including employees and contractors of MCC and any providers of goods, works, or services connected with this Agreement) and their families for their own use, which personnel or providers are present in the country to perform work in connection with the Activities and are not citizens or permanent residents of Fiji, (C) sales tax, value added tax, excise tax, property transfer tax, and other similar charges on any transactions involving goods, works or services in connection with the Activities, (D) taxes and other similar charges on ownership, possession or use of any property in connection with the Activities, and (E) taxes and other similar charges on income, profits or gross receipts attributable to work performed in connection with the Activities and related social security taxes and other similar charges on all natural or legal persons performing work in connection with the Activities except, in the case of this clause (E), the Government may choose not to extend this exemption to: (1) natural persons who are citizens or permanent residents of Fiji and (2) legal persons formed under the laws of Fiji (other than any other entity formed for the purpose of implementing the Government's obligations hereunder).

(ii) MCC and the Government understand that, with respect to Taxes that may apply in Fiji on the Activities or on the Service Providers, the provisions contained in the Foreign Assistance Economic and Technical Cooperation Agreement between the United States of America and Fiji, which entered into force on October 4, 2024, shall be in effect;

(iii) If a Tax has been levied and paid contrary to the requirements of this Section 4.2(k), then the Government shall refund promptly to MCC (or to another party as designated by MCC) the amount of such Tax in U.S. Dollars within thirty (30) days (or such other period as may be agreed in writing by the Parties) after the date on which the Government is notified in writing by MCC that such Tax has been paid; *provided, however*, the Government shall not apply any Grant funding or any assets, goods, or property (real, tangible, or intangible) purchased or financed in whole or in part (directly or indirectly) by Grant funding in satisfaction of its obligations under this paragraph.

(l) Other Government Obligations. The Government shall cooperate with MCC and the MCC Service Providers in facilitating the implementation of all MCC Service Provider Contracts in accordance with this Agreement and shall comply with each of the obligations and responsibilities set forth in Annex III.

(m) Fraud and Corruption Safeguards. The Government acknowledges that Grant activities in Fiji, in addition to being subject to the Government's laws and rules governing fraud, corruption and ethical conduct, are also subject to MCC's Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations (the "***Anti-Fraud Policy***"). The Anti-Fraud Policy provides, among other things, that the Government will take all reasonable steps to prevent, detect, and effectively and promptly remediate fraud and corruption affecting the Grant, promptly report to MCC any credible evidence of fraud or corruption, and have written standards of conduct in place governing the actions all individuals working on the Grant. Those standards include the disclosure to MCC of any potential or actual conflict of interest.

## ARTICLE 5.

### REPORTS; RECORDS AND AUDITS

#### Section 5.1 Reports.

(a) Unless otherwise agreed by MCC, the Permitted Designee shall provide to MCC the reports and information required by the "MCC Policy on Accountable Entities' Submission of the Quarterly Disbursement Request Package" provided by MCC or posted on the MCC Website (the "***MCC QDRP Policy***"), in such manner and form and at such times as specified in the MCC QDRP Policy.

(b) In addition to the reports required by Section 5.1(a), the Permitted Designee shall provide to MCC in a timely manner and in any event no later than 30 days after receipt of a written request by MCC such other reports, documents, or information related to the Activities, and in such manner and form as MCC may request from time to time.

Section 5.2 Government Books and Records. The Government shall maintain, and shall use its best efforts to ensure that any Permitted Designee and Covered Providers maintain, accounting books, records, documents and other evidence relating to this Agreement adequate to show to MCC's satisfaction the use of all Grant funding (collectively, the "***Records***"). Records must be maintained for at least five years after the end of the term of this Agreement or for such

longer period, if any, required in connection with any litigation, claims or audit findings or any applicable legal requirements. The Government shall furnish or cause to be furnished to MCC upon MCC's request originals or copies of all such Records.

Section 5.3 Accounting. The Government shall maintain, and shall use its best efforts to ensure that any Permitted Designee and Covered Providers maintain, Records in accordance with generally accepted accounting principles prevailing in the United States, or at the Government's option and with MCC's prior written approval, other accounting principles, such as those (a) prescribed by the International Accounting Standards Board or (b) then prevailing in Fiji.

Section 5.4 Access; Audits. Upon MCC's request, the Government at all reasonable times shall permit, or cause to be permitted, authorized representatives of MCC, an authorized Inspector General of MCC (the "*Inspector General*"), the United States Government Accountability Office, any auditor responsible for an audit contemplated herein or otherwise conducted in furtherance of this Agreement, and any agents or representatives engaged by MCC or the Government to conduct any assessment, review or evaluation of the Activities, the opportunity to audit, review, evaluate or inspect facilities, assets, and activities funded in whole or in part by MCC. The Permitted Designee shall make provision for such audit, review, assessment, evaluation, or inspection in each contract with a Provider. Any audit conducted in connection with this Agreement shall be performed in accordance with and subject to the terms of the Accountable Entities Audit Policy and Guidelines for Contracted Financial Audits (the "*MCC Audit Policy and Guidelines*"), or such other processes and procedures as MCC may direct from time to time.

## ARTICLE 6.

### TERM; TERMINATION AND SUSPENSION OF THE GRANT

Section 6.1 Term. Unless otherwise agreed in writing between the Parties, whether or not the entire amount of the Grant has been disbursed and fully expended, this Agreement shall terminate on the earlier of (a) the date on which all of the Activities have been fully performed and final payment has been made with respect to such performance in accordance with this Agreement, (b) the date on which either Party terminates this Agreement in accordance with Section 6.2, or (c) the date the Compact terminates or expires. After the date the Compact enters into force, no new contracts or grants may be funded by the Grant.

Section 6.2 Termination and Suspension.

(a) Either Party may terminate this Agreement in its entirety by giving the other Party 30 days' written notice; *provided that* the Government may not terminate this Agreement with respect to any activity (i) for which a Disbursement has already been issued or approved by MCC or (ii) for which a period longer than 30 days may be required for termination under the applicable Service Provider Contract, in which case this Agreement may be terminated by the Government upon the passage of such longer period as specified in such Service Provider Contract.

(b) MCC may, immediately, upon written notice to the Government, suspend or terminate this Agreement or the Grant, in whole or in part, and any obligation related thereto, if MCC determines that any circumstance identified by MCC as a basis for suspension or termination (whether in writing to the Government or by posting on the MCC Website) has occurred, which circumstances include but are not limited to the following:

(i) the Government fails to comply with its obligations under this Agreement or any other agreement or arrangement entered into by the Government in connection with this Agreement or the Activities;

(ii) any statement, affirmation, or assurance made or deemed made by the Government in this Agreement or any other agreement or arrangement entered into by the Government in connection with this Agreement or the Activities, or in any certificate or other document delivered in connection with this Agreement proves to have been incorrect or misleading in any material respect as of the date when made or deemed made;

(iii) an event or series of events has occurred that MCC determines makes it improbable that the Activities can be performed, that the Government shall be able to perform its obligations under this Agreement or that the Compact shall be entered into;

(iv) a use of the Grant or continued implementation of this Agreement would violate applicable law or United States Government policy, whether now or hereafter in effect;

(v) the Government or any other person or entity receiving Grant funding or using assets acquired in whole or in part with Grant funding is engaged in activities that are contrary to the national security interests of the United States of America;

(vi) an act has been committed or an omission or an event has occurred that would render Fiji ineligible to receive United States economic assistance under Part I of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2151 *et seq.*), by reason of the application of any provision of the Foreign Assistance Act of 1961 or any other provision of law; and

(vii) the Government has engaged in a pattern of actions inconsistent with the criteria used to determine the eligibility of Fiji for assistance under the Act of 2003, as amended.

(c) All Disbursements shall cease upon expiration, suspension, or termination of this Agreement; *provided that* Grant funding may be used, in compliance with this Agreement, to pay for (i) reasonable expenditures for goods, works or services that are properly incurred under or in furtherance of this Agreement before expiration, suspension, or termination of this Agreement, *provided that* the request for such expenditures is submitted within 90 days after such expiration, suspension or termination, and (ii) reasonable expenditures (including administrative expenses) properly incurred in connection with the winding up of the Activities within 120 days after the expiration, suspension or termination of this Agreement.

(d) Subject to Section 6.2(c), upon the expiration, suspension, or termination of this Agreement, (i) any amounts of the Grant not disbursed by MCC shall be automatically released

from any obligation in connection with this Agreement without any action from the Government or MCC, and (ii) any amounts of the Grant disbursed by MCC to the Government but not expended before such expiration, suspension, or termination of this Agreement, plus accrued interest thereon shall be returned to MCC within 30 days after the Government receives MCC's request for such return, and the Government shall ensure that such amount is returned promptly to such account(s) designated by MCC.

(e) MCC may reinstate any suspended or terminated portion of the Grant under this Agreement if MCC determines that the Government or other relevant person or entity has committed to correct each condition for which such portion of the Grant was suspended or terminated.

### Section 6.3 Refunds.

(a) If any Grant funding, any interest or earnings thereon, or any asset acquired in whole or in part with Grant funding is used for any purpose that violates the terms of this Agreement, then MCC may require the Government to repay to MCC in U.S. Dollars the value of the misused portion of the Grant, interest, earnings, or asset, plus interest thereon in accordance with Section 6.3(b) within 30 days after the Government's receipt of MCC's request for repayment. The Government shall not use any Grant funding, proceeds thereof, any other funds received from MCC, or any assets acquired with Grant funding or with any such other funds to make such payment.

(b) If the Government fails to pay any amount under this Agreement when due (including amounts under Section 4.2(k)(iii) and 6.3(a)), the Government shall pay interest on such past due amount. Interest shall accrue on such unpaid amount at a rate equal to the then current U.S. Treasury Current Value of Funds Rate, calculated on a daily basis and a 360-day year from the due date of such payment until such amount is paid in full. Any such payment shall first be credited against interest due, and once the interest due amount is extinguished, then payments shall be credited against outstanding principal.

Section 6.4 Notwithstanding any other provision in this Agreement or any other agreement to the contrary, MCC's right under this Section 6.3 for a refund shall continue during the term of this Agreement and for a period of: (i) five years thereafter or (ii) one year after MCC receives actual knowledge of such violation, whichever is later.

## **ARTICLE 7.**

### **GENERAL**

#### Section 7.1 Governing Law; Consultations.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any conflict of law principles.

(b) Any dispute with regard to this Agreement shall be resolved between the Parties through consultations.

(c) In matters arising under or relating to this Agreement, neither Party shall be deemed to have submitted to the jurisdiction of the courts of or in the State of New York or any other court or judicial body.

Section 7.2 Representatives. For all purposes relevant to this Agreement, the Government shall be represented by the individual holding the position of, or acting as, the Minister of Finance, and MCC shall be represented by the individual holding the position of, or acting as, the Vice President for Compact Operations (each of the foregoing, a “**Principal Representative**”). Each Party may, by written notice to the other Party, designate one or more additional representatives (each an “**Additional Representative**”) for all purposes other than signing amendments to this Agreement. MCC hereby designates the Deputy Vice President for Compact Operations Europe, Asia, Pacific, and Latin America and the Resident Country Director for Fiji as Additional Representatives. A Party may change its Principal Representative to a new representative of equivalent or higher rank upon written notice to the other Party.

Section 7.3 Communications. Any document or communication required or submitted by either Party to the other under this Agreement must be submitted in writing and, except as otherwise agreed with MCC, in English to such Party’s Principal Representative, and, if applicable, to such Party’s Additional Representative(s), at such address as may be provided from time to time.

Section 7.4 Counterparts. Except as the Parties may otherwise agree in writing from time to time, this Agreement and any related notice, certificate, instrument, agreement, or other document may be executed using counterpart signatures and, each when so executed and delivered, shall be an original instrument, but such counterparts together shall constitute a single agreement. A signature delivered by facsimile or electronic mail shall be deemed an original signature, and the Parties hereby waive any objection to such signature or to the validity of the underlying related notice, certificate, instrument, agreement or other document on the basis of the signature’s legal effect, validity or enforceability solely because it is in facsimile or electronic form. Such signature shall be accepted by the receiving Party as an original signature and shall be binding on the Party delivering such signature.

Section 7.5 Relationship Between the Parties. Nothing in this Agreement shall be construed to constitute or create a partnership, agency relationship, joint venture or equity or similar interest between the Parties. Neither Party has the power or authority to act on behalf of the other Party, except as expressly authorized by the other Party in writing.

Section 7.6 MCC Status. MCC is a United States Government corporation acting on behalf of the United States Government in the implementation of this Agreement and the Activities. MCC and the United States Government assume no liability for any claims or loss arising out of actions or omissions under this Agreement. The Government hereby waives any and all claims against MCC or the United States Government or any current or former officer or employee of MCC or the United States Government for all loss, damage, injury, or death arising out of actions or omissions under this Agreement, and agrees it shall not bring any claim or legal proceeding of any kind against any of the above entities or persons for any such loss, damage, injury, or death. The Government agrees that MCC and the United States Government or any

current or former officer or employee of MCC or the United States Government shall be immune from the jurisdiction of all courts and tribunals of Fiji for any claim or loss arising out of actions or omissions under this Agreement.

**Section 7.7 Publicity; Information and Marking.** The Government shall give appropriate publicity to this Agreement as a program to which the United States of America, through MCC, has contributed, including by posting this Agreement, in English, as MCC may request, on an agreed website, identifying the Grant activity sites and marking assets acquired with the Grant, all in accordance with the MCC Standards for Global Marking, as applicable, of which MCC has informed the Government in writing or by posting on the MCC Website; *provided that* any press release or announcement regarding MCC or the fact that MCC is making the Grant or any other publicity materials referencing MCC shall be subject to MCC's prior written approval. MCC may post this Agreement on the MCC Website. MCC may freely use any information it receives in any report or document provided to it in connection with this Agreement.

**Section 7.8 No Assurance of Future Assistance.** Nothing contained in this Agreement shall be construed as creating an obligation on the part of MCC to provide any further funding or assistance other than the Grant, including without limitation the provision of any funding for the Compact or any other project or program in Fiji.

**Section 7.9 Amendment.**

(a) This Agreement may be amended or modified by written agreement of the Principal Representatives.

(b) Notwithstanding Section 7.9(a), the Government hereby acknowledges and agrees the Parties may, by written agreement of the Principal Representatives or any Additional Representatives, (i) modify any Annex to this Agreement to, in particular, but without limitation, modify any Activity described in Annex I, or (ii) modify the designation or allocation of funds among the Activities, as identified in the initial allocation of Grant funding as set forth in Annex II; *provided that* any such modification (A) is consistent in all material respects with the Objective of this Agreement, (B) does not cause the amount of the Grant to exceed the aggregate amount specified in Section 1.1, (C) does not cause the Government's responsibilities or contribution of resources to be less than specified in this Agreement, and (D) does not extend the term of this Agreement beyond the date the Compact is terminated or expired. Any such modification pursuant to this Section 7.9(b) shall not be deemed an amendment of this Agreement pursuant to Section 7.9(a).

**Section 7.10 Severability.** If one or more provisions of this Agreement is held to be unenforceable, such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

**Section 7.11 Non-Waiver of Remedies.** No delay in exercising any right or remedy accruing to a Party in connection with this Agreement shall be construed as a waiver of such right or remedy.

Section 7.12 Survival. The Government's obligations under Sections 4.1, 4.2, 6.2, 6.3, 7.1, 7.2, 7.3, and 7.6, this Section 7.12 and Article 5 survive the expiration, suspension or termination of this Agreement.

Section 7.13 Language. This Agreement is prepared in English and in the event of any ambiguity or conflict between this English version and any other version translated into any language for the convenience of the Parties, this English version shall prevail.

Section 7.14 Interpretation. Any reference to the term "including" in this Agreement shall be deemed to mean "including, without limitation," except as expressly provided otherwise. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (c) all references herein to Articles, Sections, Exhibits and Annexes shall be construed to refer to Articles and Sections of, and Exhibits and Annexes to, this Agreement, and (d) any approval right granted to MCC herein shall only be satisfied upon the prior written approval of MCC. The section headings used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

Section 7.15 References to MCC Website. Each reference in this Agreement, or any other agreement entered into in connection with this Agreement, to a document or information available on, or notified by posting on, the MCC Website shall be deemed a reference to such document or information as updated or substituted on the MCC Website from time to time.

Section 7.16 References to Laws, Regulations, Policies and Guidelines. Each definition of or reference to in this Agreement, or any other agreement entered into in connection with this Agreement, a law, regulation, policy, guideline or similar document, unless otherwise expressly set forth herein, shall be construed as a reference to such law, regulation, policy, guideline or similar document as it may, from time to time, be amended, revised, replaced or extended and shall include any law, regulation, policy, guideline or similar document issued under or otherwise applicable or related to such law, regulation, policy, guideline or similar document.

Section 7.17 Grant Reference. In the event that the Permitted Designee undertakes the procurement or implementation of any Government-Contracted Activities, MCC shall send a Grant reference number to the Government and its Permitted Designee. The Grant reference number sent by MCC should appear on all subsequent notices, requests, reports or other correspondence in connection with the Grant funding.

Section 7.18 Entire Agreement. This Agreement shall constitute the entire agreement of the Parties with respect to the subject matter hereof and the transactions contemplated hereby, superseding and extinguishing all prior agreements, understandings, negotiations and representations and warranties, whether oral or written, relating to the subject matter hereof.

**SIGNATURE PAGE FOLLOWS ON NEXT PAGE**

**IN WITNESS WHEREOF**, MCC and the Government, each acting through its duly authorized representative, have caused this Agreement to be executed in their names and delivered as of the date first written above.

MILLENNIUM CHALLENGE  
CORPORATION

THE REPUBLIC OF FIJI, ACTING  
THROUGH THE MINISTRY OF FINANCE

/s/  
By: \_\_\_\_\_  
Name: Christopher Landau  
Title: Interim Chief Executive Officer

/s/  
By: \_\_\_\_\_  
Name: Hon. Esrom Yosef Immanuel  
Title: Minister of Finance

**SIGNATURE PAGE TO COMPACT DEVELOPMENT FUNDING GRANT AGREEMENT  
BY AND BETWEEN THE MILLENNIUM CHALLENGE CORPORATION  
AND THE REPUBLIC OF FIJI  
ACTING THROUGH THE MINISTRY OF FINANCE  
FOR THE DEVELOPMENT OF A MILLENNIUM CHALLENGE COMPACT**

## **EXHIBIT A**

### **INDEX OF DEFINITIONS**

*The following compendium of capitalized terms that are used herein is provided for the convenience of the reader. To the extent that there is a conflict or inconsistency between the definitions in this Exhibit A and the definitions elsewhere in the text of this Agreement, the definition elsewhere in this Agreement shall prevail over the definition in this Exhibit A.*

**Account and Wire Transfer Information** has the meaning provided in Section 3.2(c)(iv).

**Activity and Activities** have the respective meanings provided in Section 1.1 and include both Government-Contracted Activities and MCC-Contracted Activities.

**Additional Representative** has the meaning provided in Section 7.2.

**Agreement** has the meaning provided in the Preamble.

**Anti-Fraud Policy** has the meaning provided in Section 4.2(m).

**Bank** has the meaning provided in Section 3.2(c)(i).

**Bank Agreement** has the meaning provided in Section 3.2(c)(i).

**CDF** has the meaning provided in the Recitals.

**CDF Detailed Financial Plan** has the meaning provided in Section 2.1(a).

**CDF Implementation Documents** has the meaning provided in Section 2.1.

**CDF Procurement Plan** has the meaning provided in Section 2.1(b).

**CDT** has the meaning provided in the Recitals.

**Compact** has the meaning provided in the Recitals.

**Compact Development Funding** has the meaning provided in the Recitals.

**Compact Development Team** has the meaning provided in the Recitals.

**Common Payment System** refers to a payment system using the U.S. Department of Treasury's International Treasury System, which allows the Government to make payments directly from the U.S. Treasury to vendors.

**Compensation** has the meaning provided in Annex IV.

**Cost Principles** has the meaning provided in Annex IV.

**Covered Provider** has the meaning provided in the MCC Audit Policy and Guidelines.

**Disbursement** has the meaning provided in Section 3.2(a)(i).

***Disbursement Period** has the meaning provided in Section 3.2(a)(i).*

***Disbursement Request** has the meaning provided in Section 3.2(a)(i).*

***Eligible Costs** has the meaning provided in Annex IV.*

***Fiscal Agent** has the meaning provided in Section 2.3(a).*

***Fiscal Agent Agreement** has the meaning provided in Section 2.3(a).*

***Government** has the meaning provided in the Preamble.*

***Government-Contracted Activities** has the meaning provided in Section 2.1.*

***Government Funds** has the meaning provided in Section 3.2(c)(ii).*

***Government Service Provider** has the meaning provided in Section 2.1(c)(i).*

***Government Service Provider Contracts** has the meaning provided in Section 2.1(c)(i).*

***Grant** has the meaning provided in Section 1.1.*

***Inspector General** has the meaning provided in Section 5.4.*

***Interim Fiscal Accountability Plan** has the meaning provided in Section 2.3(b).*

***Interim Procurement Operations Manual** has the meaning provided in Section 2.2(c).*

***Lien** has the meaning provided in Section 4.2(d).*

***MCA-Fiji** has the meaning provided in the Recitals.*

***MCC** has the meaning provided in the Preamble.*

***MCC Audit Policy and Guidelines** has the meaning provided in Section 5.4.*

***MCC-Contracted Activities** has the meaning provided in Section 2.1(b).*

***MCC QDRP Policy** has the meaning provided in Section 5.1(a).*

***MCC Service Provider** has the meaning provided in Section 2.1(c)(ii).*

***MCC Service Provider Contracts** has the meaning provided in Section 2.1(c)(ii).*

***MCC Service Provider Disbursement** has the meaning provided in Section 3.1(a).*

***MCC Website** has the meaning provided in Section 4.2(j)(ii).*

***Objective** has the meaning provided in the Recitals.*

***Party and Parties** have the respective meanings provided in the Preamble.*

***Permitted Account** has the meaning provided in Section 3.2(c)(i).*

***Permitted Designee** has the meaning provided in Section 4.2(b)(i).*

***Principal Representative** has the meaning provided in Section 7.2.*

***Procurement Agent** has the meaning provided in Section 2.2(b).*

***Procurement Agent Agreement** has the meaning provided in Section 2.2(b).*

***Procurement Policy and Guidelines** has the meaning provided in Section 2.2(a).*

***Provider** has the meaning provided in the MCC Audit Policy and Guidelines.*

***Records** has the meaning provided in Section 5.2.*

***Reimbursement** has the meaning provided in Section 3.2(a)(ii).*

***Reimbursement Period** has the meaning provided in Section 3.2(a)(ii).*

***Reimbursement Request** has the meaning provided in Section 3.2(a)(ii).*

***Service Provider** has the meaning provided in Section 2.1(c)(iii).*

***Service Provider Contracts** has the meaning provided in Section 2.1(c)(iii).*

***Taxes** has the meaning provided in Section 4.2(k)(i).*

***U.S. Dollars or US\$** means the lawful currency of the United States of America from time to time.*

## ANNEX I

### DESCRIPTION OF THE ASSISTANCE

The Grant shall be utilized for the purpose of facilitating the development and implementation of the Compact between the United States and Fiji, including but not limited to the proposed activities below.

#### 1. Program Administration:

(a) The Grant will support certain administrative costs related to the operations of the CDT, the administration of this CDF Agreement, and the establishment and setting up of MCA-Fiji.

(b) In furtherance of the preparation and development of the proposed Compact, the Grant may be used to (i) directly pay Eligible Staff Costs for CDT members subject to the requirements set forth in Section 3(d) of this Annex; or to (ii) reimburse the Government for Eligible Staff Costs determined to be reasonable and allowable by MCC in accordance with the timeframes for eligibility and terms set forth in Annex IV. Reimbursements for Eligible Staff Costs shall be made in accordance with Section 3.5 of this Agreement. Eligible Staff Costs of the CDT shall be subject to MCC's determination that such costs are reasonable, allowable, and allocable, all as set forth in the Cost Principles. Salaries, benefits, fees, and associated costs in excess of that determined to be reasonable by MCC shall be the responsibility of the Government. Despite the term set out in each individual contract between CDT and each CDT member, MCC will only reimburse compensation, to include any applicable payroll taxes, for each CDT member up until six months after MCA-Fiji is formed, throughout the transition time until MCA-Fiji personnel have been hired in an open and competitive process, and subject to the availability of funds under this Agreement. All fees for CDT members will be paid by the Government, who will be responsible for withholding any applicable taxes. For the avoidance of doubt, Grant funding will not be available for any mandatory severance or termination indemnities or payments, or any similar end-of term payments that may be owed to consultants or employees as a matter under the laws of Fiji. Further, the Eligible Staff Costs may be for full or part-time positions depending on the needs of Compact development, in each case subject to MCC's prior written agreement. In addition, the Parties anticipate that the need for certain positions may increase progressively during the course of Compact development, such that positions may be part-time initially and later become full-time. Regardless, Grant support for any position identified below will be limited to the percentage of time spent by such member of the CDT on Compact development matters. The Parties may agree that the staff positions provided in Annex IV may be modified in accordance with Section 7.9 of this Agreement.

(c) After payment of Compensation determined to be reasonable by the Government using funding provided by the Government, the Government may request reimbursement from funds under this Agreement for eligible members of CDT, including applicable taxes withheld from employees of the CDT who are nationals or permanent residents of Fiji. MCC reserves the right to reject requests for reimbursement if it determines costs requested for reimbursement to be unreasonable or if insufficient funding exists under this Agreement. Reimbursement requests may be made according to the procedure specified in Annex IV.

(d) Direct payments for Eligible Staff Costs for CDT members (consultants and employees) may be made subject to (i) the Fiscal Agent being mobilized; (ii) satisfaction of the conditions precedents set forth in Section 3.3 and Section 3.4 of this Agreement, as applicable; and (iii) the Government and CDT's compliance with MCC's policies.

(e) For avoidance of doubt, the Procurement Policy and Guidelines shall not apply to the engagement of CDT members (consultants or employees); however, for Eligible Staff Costs to be paid directly or reimbursed by MCC, the position description, and selection of each CDT member must be approved by MCC.

(f) Subject to the requirements set forth in this Agreement, the Grant may be used support administrative costs including the engagement of an external Fiscal Agent, interim Procurement Agent, external Procurement Agent, human resources recruitment firm, and payments for eligible members of the CDT and MCA-Fiji.

## **2. Program Development:**

Grant funding shall be used to develop a Compact to address the prioritized binding constraints to economic growth. This may include funding for consulting services to support the CDT to conduct the necessary studies to inform Compact development, including but not limited to:

(a) Root Cause Analysis (RCA) that examines underlying drivers of the selected constraints and identifies core problems through structured workshops, stakeholder consultations, data gathering and/or analysis, and reviews of relevant reports on the sector.

(b) Data collection to inform project design and baseline data for project evaluation.

(c) Feasibility/Design Studies that conduct technical and engineering assessments to determine project viability, costs, and implementation arrangements

(d) Environmental and Social Impact Assessments (ESIA) that identify risks, mitigation measures, and institutional capacity for environmental/social management in order to ensure compliance with MCC Environmental Guidelines and IFC Performance Standards.

(e) Legal and Institutional Assessments that review policy, regulatory, and institutional reforms needed for greater impact and sustainability.

**ANNEX II**  
**COMPACT DEVELOPMENT FUNDING GRANT FINANCIAL PLAN**

Activity	Government-Contracted (US\$)	MCC-Contracted (US\$)	Total Budget (US\$)
<b>1. Program Administration &amp; Control</b>	<b>\$360,000</b>	<b>\$2,040,000</b>	<b>\$2,400,000</b>
(a) Program Administration	\$300,000	\$750,000	\$1,050,000
(b) Recruitment	\$0	\$250,000	\$250,000
(c) Procurement Management	\$0	\$500,000	\$500,000
(d) Fiscal Management	\$0	\$540,000	\$540,000
(e) Audit	\$60,000	\$0	\$60,000
<b>2. Program Development</b>	<b>\$9,600,000</b>	<b>\$0</b>	<b>\$9,600,000</b>
<b>Total Estimated MCC Contribution</b>	<b>\$9,960,000</b>	<b>\$2,040,000</b>	<b>\$12,000,000</b>

## ANNEX III

### ROLES AND RESPONSIBILITIES OF THE GOVERNMENT FOR MCC- CONTRACTED ACTIVITIES

The Government shall participate in the following aspects of the implementation of the Activities and shall have the following obligations and responsibilities in respect of each MCC-Contracted Activity:

1. Review and comment on the terms of reference/scope of work for each MCC Service Provider procurement within an agreed timeframe.
2. Facilitate and cooperate in obtaining all permits, consents, and approvals necessary or advisable for the successful and timely performance of all aspects of each Activity as may be determined by MCC, and assist in the identification and contracting of appropriate office space by each MCC Service Provider at such MCC Service Provider's expense.
3. Verify the services performed by an MCC Service Provider and, to the extent available, provide such other documents, data or information as may be requested from time to time by MCC (including in connection with MCC's determination of the acceptability of an invoice) or any MCC Service Provider, and provide a prompt response to any such request for verification or information within five (5) business days.
4. If requested by MCC, ensure a qualified representative of the Government with the relevant technical expertise is available to assist any MCC Service Provider or any MCC technical expert in the performance of the services.
5. Coordinate, as requested, meetings with related agencies, in order to review relevant deliverables provided by any MCC Service Provider and the performance of such MCC Service Provider in connection with the fulfillment of the applicable Activities.
6. Inform each MCC Service Provider of, and as appropriate, facilitate access by each MCC Service Provider to, relevant donor, industry and technical meetings in such MCC Service Provider's field.
7. In connection with the mobilization of each MCC Service Provider:
  - (a) Perform an introduction and orientation for the MCC Service Provider at the commencement of each Activity start-up and perform weekly consultations with the MCC Service Provider in order to promote efficient information sharing and effective collaboration;
  - (b) Participate in the monitoring of the MCC Service Provider's performance and the progress of each Activity; prepare regular reviews of Activity progress, reports and deliverables of the MCC Service Provider; review and comment on work plans, reports and other major deliverables;

(c) If requested by MCC, submit to MCC, within two weeks of receipt of such request, or such other time as MCC may specify, a memorandum reviewing and commenting on the MCC Service Provider's major deliverables;

(d) In a timely manner, respond to the MCC Service Provider's reasonable and appropriate requests for contact information and for organizing meetings with local private sector, civil society, and public agencies as needed to facilitate the tasks called for in the terms of reference/scope of work; and

(e) Participate in regular tripartite meetings (which may be conference calls) every 15 days or at such intervals as may be requested by either Party, with the MCC Service Provider and MCC, in order to review the progress and any issues associated with the fulfilment of the Activities (including review of major draft revisions and final work product).

- 8.** Ensure that any applicable ministries, agencies, or other entities of the Government required for the successful implementation of the Grant enter into such further agreements or memoranda of understanding as may be requested by MCC to specify the responsibilities of such Government entities with respect to the Objective of this Grant.

## ANNEX IV

### REIMBURSEMENT PROCEDURES

To facilitate preparation and development of the proposed compact, the Grant may reimburse the Government for certain administrative costs, namely salaries and fees of the Compact Development Team, mandatory benefits and related administrative expenditures (including travel expenses for Compact Development Team members named in this Agreement and for purposes agreed in advance with MCC), and such other costs as MCC may approve (“*Eligible Costs*”). Unless the Parties otherwise agree in writing, the procedures set forth Section 3.2 of this Agreement and this Annex IV shall apply when the Grant is used to reimburse the Government for Eligible Costs.

#### General Terms

Reimbursement of Eligible Costs shall be subject to MCC’s determination that such costs are reasonable, allowable, and allocable, all as set forth in MCC’s Cost Principles for Government Affiliates, as such may be posted on the MCC Website from time to time (the “*Cost Principles*”). All costs incurred by the Government in excess of that determined to be reasonable by MCC shall be the responsibility of the Government.

MCC may, in its sole discretion, reject any Reimbursement Request completely, or reject or reduce the amount of any Reimbursement requested thereunder, based on among other things, any of the conditions precedent applicable to such Reimbursement set forth in this Agreement not having been satisfied, waived, or deferred.

MCC shall make Reimbursements in United States Dollars or Fiji Dollar at MCC’s discretion. If payment is made in USD, the exchange rate, if applicable, shall be determined from an official source that MCC specifies for the value date of each payment transaction. Regardless of currency, under no circumstances shall the total USD value of Reimbursements, as recorded by MCC, exceed the Grant amount, or a portion of the Grant specified by MCC.

#### Compensation

1. Eligible Costs consisting of compensation for members of the Compact Development Team, including salary or consulting fees, benefits, holidays, and leave accrued during the period of eligibility for reimbursement hereunder are collectively referred to as, “*Compensation.*”
2. Use of any portion of the Grant for reimbursement of Compensation is limited (i) by the amount of the Grant available and approved by MCC for such purpose, and (ii) to a time period that starts upon execution of this Agreement and ends on a date to be agreed by the Parties, which date may be different for different Compact Development Team members and which date in no event shall exceed six months after the establishment of an accountable entity in accordance with MCC’s policies to manage implementation of the compact program.

3. Subject to the conditions and procedures set forth in this Agreement and otherwise in writing by MCC, the Government may request reimbursement for the compensation of the following members of the Compact Development Team:

<b>Compact Development Team Member</b> <i>(title/area of expertise)</i>	<b>Timing for Eligibility for Reimbursement</b>
National Coordinator	Upon signature of this Agreement
Economist	
Legal Officer	
Procurement Specialist	
Finance Specialist	
Environmental and Social Performance Specialist	Upon mutual agreement of the binding constraints
Communications and Outreach Specialist	
Social Analysis Specialist	

4. The Government shall be responsible for withholding all applicable withholding taxes under the laws of Fiji for compensation paid to citizens or permanent residents of Fiji. Grant funds shall not be available for any mandatory severance or termination indemnities or payments, or any similar end-of-term payments that may be owed to employees of the Ministry as a matter of the laws of Fiji.
5. For the avoidance of doubt, the positions identified in the table above may be full or part-time depending on the needs of compact development, in each case, subject to MCC's prior approval. In addition, the Parties anticipate that the need for certain positions and professional services may increase progressively during the course of compact development, such that positions may be part-time initially and later become full-time. Regardless, reimbursements for Compensation shall be processed in accordance with the terms provided in this Annex IV and limited to the percentage of time spent by the Compact Development Team members on compact development matters. All costs associated with all other work shall be the responsibility of the Government.
6. Prior to the initial Reimbursement Request related to Compensation of any particular Compact Development Team member, the Government shall have submitted to MCC (i) a copy of such member's fully executed employment agreement or consultant contract, as applicable, including a clear indication of the team member's salary or fees, as applicable, and the start date of his/her service; and (ii) a curriculum vitae for such member. Each such member must be properly qualified to perform the tasks set forth in the applicable employment agreement or consultant contract, and salary or fees paid to

such team member must be consistent with the Cost Principles. The determination regarding proper qualifications and compliance with the Cost Principles shall be made at MCC's sole discretion.

## **Reimbursement Request Procedures**

Each Reimbursement Request shall include the following:

1. Completed and signed request form, substantially in the form of Exhibit I to this Annex, certified by the Government as true, complete, and correct.
2. For each Reimbursement Request for Compensation, (a) for a team member that is an employee of the Government, completed timesheets (in the form provided by MCC) for each Reimbursement Period, signed by such team member and approved by the National Coordinator; (b) for a team member that is a consultant to the Government, an invoice detailing the hours or days worked and the tasks or milestones completed, as applicable, and consistent with the consultant's contract; and (c) an invoice detailing the Compensation to be reimbursed that includes a detailed breakdown of all Compensation paid by the Government with reference to all supporting documents, certified by the National Coordinator as true and correct.
3. Supporting documentation of the payments made by the Government for all Eligible Costs to be reimbursed, including a record from the Government's financial system, corresponding bank transfer documentation, and if applicable, documentation of exchange rates applies.
4. The Government's banking information for the Reimbursement (bank name, account number, routing information (IBAN/SWIFT, *etc.*), currency for remittance (United States dollars preferred).
5. The applicable Grant reference number provided by MCC.

EXHIBIT I TO ANNEX IV

**FORM OF REIMBURSEMENT REQUEST**

[Letterhead of Compact Development Team]

Reference is made to the Compact Development Funding Grant Agreement between the Millennium Challenge Corporation, a United States Government corporation (“**MCC**”), and the Republic of Fiji, acting through the Ministry of Finance (the “**Government**”), dated as of February 28, 2026 (the “**Agreement**”). Capitalized terms used but not defined herein have the meanings given such terms in the Agreement.

[I][We], the undersigned, as [Government official(s)], pursuant to Section 3.2(a)(ii) of the Agreement, hereby submit this Reimbursement Request and certify as follows:

(a) Below is a true and correct statement of the hours worked by the associated member of the Compact Development Team, for which the Government requests reimbursement:

<i>Name</i>	<i>Title</i>	<i>Date Paid</i>	<i>Gross Amount Paid (specify currency paid)</i>	<i>Ineligible Taxes included in Gross Amount*</i>	<i>Amount Requested for Reimbursement by MCC (specify currency)</i>

\*Applicable to non-Fijian payees only

(a) Attached hereto is a true and correct copy of (i) a completed timesheet for each such member that is an employee of the Government, and (ii) an invoice for each such member this is a consultant to the Government;

(b) Attached hereto is evidence of payments made by the Government in connection with the Compensation included in each such timesheet and invoice, and for which the Government is requesting reimbursement;

(c) The Compact Development Team member’s timesheet or invoice, as applicable, reflects only that time dedicated to the compact development process;

(d) No material default or breach of any covenant, obligation or responsibility by the Government has occurred and is continuing under the Agreement;

(e) Compensation to be reimbursed under this Reimbursement Request shall not violate any applicable law or regulation; and

(f) No act, omission, condition, or event has occurred that would be the basis for MCC to suspend or terminate, in whole or in part, the Agreement in accordance with the Agreement.

[Signature]

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Name:

Title:

Remit to:

Account Name:

Account Number:

Bank Name:

SWIFT Code:

For the Credit:

Grant Reference No.:

ANNEX

**ANNEX V**

**ADDITIONAL CONDITIONS PRECEDENT**

Intentionally left blank.

**ANNEX VI**

**TAX EXEMPTION PROCEDURES**

Intentionally left blank.

