

**THE FRAMEWORK AGREEMENT ON CONCESSIONAL LOAN
PROVIDED BY CHINA TO VANUATU BETWEEN
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
AND THE GOVERNMENT OF THE REPUBLIC OF VANUATU**

The Government of the Republic of Vanuatu and the Government of the People's Republic of China, with a view to further developing the friendly relations and economic and technical cooperation between the two countries, have concluded this Agreement as follows:

Article I

The Government of the People's Republic of China agrees to have the Export & Import Bank of China (hereinafter referred to as 'the Lender') to provide the Ministry of Finance and Economic Management of Vanuatu (hereinafter referred to as 'the Borrower') with a concessional loan(hereinafter referred to as 'the Loan') in the amount of not exceeding RMB ¥ 350,000,000.00(Three Hundred and Fifty Million RMB Yuan Only).The Loan shall be utilized for the Tanna and Malekula Road Project Phase II. The amount of interest subsidized by the Government of the People's Republic of China shall be directly paid to the Export & Import Bank of China.

Article II

The main terms of the Loan are as follows:

1. The duration of the Loan (including the utilization period, the grace period which shall not exceed seven(7) years, and the repayment period) is twenty(20) years.
2. The interest rate is two percent (2%) per annum.

Article III

The project to be financed by the Loan, as agreed by the two Governments, shall be appraised and approved by the Lender. Relending of the loan shall be assessed and approved by the relending institution designated by the Lender and the government of the Republic of Vanuatu.

Article IV

Following the appraisal and approval of the project, the specific loan agreement shall be signed between the Lender and the Borrower through negotiation in accordance with this Agreement.

Article V

The Government of the Republic of Vanuatu and the Government of the People's Republic of China shall, at any time, examine and supervise the utilization of the Loan, and have consultations on the issues arising from the performance of this Agreement.

Article VI

This Agreement shall come into force on the date of its signature, and remain valid for three years. The Agreement shall become invalid automatically, if the Lender and the Borrower do not reach any specific loan agreement on the utilization of the Loan within the above-mentioned period.

Done in duplicate in Port Vila on November 9, 2018 in English and Chinese languages, each side keeping one original and both texts being equally authentic.



For the Government of the
Republic of Vanuatu



For the Government of the
People's Republic of China