
LOAN NUMBER 9105-PH

Loan Agreement

(Philippines COVID-19 Emergency Response Project)

between

REPUBLIC OF THE PHILIPPINES

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF THE PHILIPPINES ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of one hundred million Dollars (\$100,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance, provided that the Commitment Charge for the period beginning on the date of accrual of the Commitment Charge and ending on the date of the first anniversary of such date of accrual shall be zero percent (0%).
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

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

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is its Secretary of Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's Address is:

Department of Finance
Department of Finance Building
Roxas Blvd. cor. Pablo Ocampo Sr. St.
Manila 1004
Philippines

(b) the Borrower's Electronic Address is:

Facsimile:

Email:

(63-2) 8523-9216

secfin@dof.gov.ph

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

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

E-mail:

248423(MCI) or 1-202-477-639
64145(MCI)

PhilippinesCMU@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF THE PHILIPPINES

By



Authorized Representative

Name: CARLOS G. DOMINGUEZ

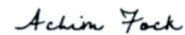
Title: Secretary of Finance

Date: APR 28 2020



**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Achim Fock

Name: _____

Title: Acting Country Director

Date: 23-Apr-2020

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the Philippines' capacity to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.

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

Part 1: Strengthening Emergency COVID-19 Health Care Response

Strengthening health care service delivery system to provide rapid response to the COVID-19 outbreak, through:

1.1. Provision of Medical and Laboratory Equipment and Reagents

Providing support for: (a) improving medical and laboratory equipment at selected DOH-managed hospitals and provincial hospitals; (b) upgrading health facilities' capacity for diagnostics and treatment of COVID-19 infection; (c) delivering trainings to health providers and technicians; and (d) facilitating logistics and supply chains for the delivery of equipment to frontline health facilities.

1.2. Provision of Medical Supplies, including Personal Protective Equipment, Medicines, and Ambulance

Providing: (a) personal protective equipment and medical counter-measures and supplies for case management and infection prevention; (b) drugs for patients with co-morbidity and complications; (c) training on the use of medical supplies for health providers and technicians; (d) support to facilitate logistics and supply chains for the delivery of medical supplies and personal protective equipment to frontline health facilities; and (e) ambulance vehicles for COVID-19 response.

1.3. Enhancing Isolation/Quarantine Facilities

Providing support for: (a) construction, retrofitting, and/or refurbishment of quarantine facilities in major points of entry; (b) setting-up regular isolation rooms in DOH-managed hospitals and provincial hospitals; (c) establishment of negative pressure isolation rooms in DOH-managed hospitals and provincial hospitals; (d) setting up first line decontamination facilities in international airports; and (e) establishment of isolation tents for triaging in health facilities.

Part 2: Strengthening Laboratory Capacity at National and Sub-National Level to Support Emerging Infectious Diseases Prevention, Preparedness, and Response

Providing support for the establishment and improvement of national reference laboratories and selected sub-national and public health laboratories, through: (a) improving, retrofitting and refurbishing selected existing reference laboratories; (b) strengthening laboratory capacity in priority regions; and (c) providing laboratory equipment and supplies and capacity building to laboratory staff.

Part 3: Implementation Management and Monitoring and Evaluation

Providing technical and operational support for: (a) capacity building and joint learning for clinical and public health research; and (b) project management and coordination, including financial management and disbursement, procurement, environmental and social risk and impact management, grievance redress mechanisms, and monitoring, reporting and evaluation.

Part 4: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through DOH, shall maintain, throughout the period of implementation of the Project, Project implementation structures at the national and sub-national levels, all with composition, functions, staffing and resources satisfactory to the Bank and set out in the Project Operations Manual.
2. Without limitation to foregoing, the Borrower, through DOH, shall, no later than one (1) month from the Effective Date appoint, and thereafter maintain, a Project director and a Project manager within the DOH, which shall be responsible, *inter alia*, for overseeing and providing guidance for the day-to-day implementation of the Project, including: (i) preparing annual work plans and budget; (ii) processing procurement, financial management, environmental and social impact management; (iii) monitoring and evaluation of the Project; and (iv) coordination with local government units in implementing the Project at sub-national levels.

B. Project Operations Manual.

1. The Borrower, through DOH, shall, by no later than one (1) month after the Effective Date, prepare and adopt a Project Operations Manual, and thereafter ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail); and shall not amend, abrogate or waive any provision of the Project Operations Manual unless the Bank has provided its prior no-objection thereof in writing.

C. Annual Work Plan and Budget.

1. The Borrower, through DOH, shall prepare and furnish to the Bank for its no-objection not later than October 31 of each fiscal year during the implementation of the Project (or such later date as the Bank may agree), a consolidated Annual Work Plan and Budget ("AWPB") containing all Project activities and expenditures proposed to be included in the Project in the following fiscal year, including a specification of the sources of financing for all expenditures, and environmental and social risk and impact management measures taken or planned to be taken in accordance with the provisions of Part D of this Schedule.

2. The Borrower, through DOH, shall ensure that the Project is implemented in accordance with the AWPB accepted by the Bank for the respective fiscal year; provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Borrower, through DOH, shall not make or allow to be made any change to the AWPB without prior no-objection in writing by the Bank.

D. Environmental and Social Standards.

1. The Borrower, through DOH, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower, through DOH, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower, through DOH, shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower, through DOH, shall ensure that:
 - (a) all necessary measures are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and

- (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Borrower, through DOH, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
- 6. The Borrower, through DOH, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

E. Contingent Emergency Response

- 1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (Emergency Response Part), the Borrower shall:
 - (a) prepare and furnish to the Bank for its review and approval, an Emergency Response Manual ("ERM") which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of the Safeguard Instruments and any other relevant safeguard instruments to the Emergency Response Part; and (vii)

any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;

- (b) afford the Bank a reasonable opportunity to review the proposed ERM;
 - (c) promptly adopt the ERM for the Emergency Response Part as accepted by the Bank;
 - (d) ensure that the Emergency Response Part is carried out in accordance with the ERM; provided, however, that in the event of any inconsistency between the provisions of the ERM and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the ERM without the prior written approval by the Bank.
2. The Borrower shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:
- (a) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (b) the Borrower has ensured the preparation and disclosure of all safeguard instruments as may be required for said activities in accordance with the ERM, the Bank has approved all said instruments, and the Borrower has ensured the implementation of any actions which are required to be taken under said instruments.

Section II. Project Monitoring Reporting and Evaluation

A. Project Report

The Borrower, through DOH, shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Borrower, through DOH, shall ensure that such information, report or document does not include Personal Data.

B. Mid-term Review

The Borrower, through DOH, shall: (a) on or about twenty-three (23) months after the Effective Date, prepare and furnish to the Bank a mid-term report, in such detail as the Bank shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to Part A of this Section, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Bank such mid-term report, on or about the date sixty (60) days after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Bank's views on the matter.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs, and Training for the Project	100,000,000	100%
(2) Emergency Expenditures under Part 4 of the Project	0	100%
TOTAL AMOUNT	100,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) for Emergency Expenditures under Category (2), unless and until the Bank is satisfied, and notified the Borrower of its satisfaction, that all of the following conditions have been met in respect of said expenditures:
 - (i) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include the proposed activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof;
 - (ii) the Borrower has ensured that all safeguard instruments required for said activities have been prepared and disclosed, and the Borrower has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Sections I.D and I.E of this Schedule;
 - (iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.E of this Schedule, for the purposes of said activities; and
 - (iv) the Borrower has adopted the ERM, in form and substance acceptable to the Bank, and the provisions of the ERM remain or have been updated in accordance with the provisions of Section I.E of this Schedule so as to be - appropriate for the inclusion and implementation of the Emergency Response Part.
2. The Closing Date is December 29, 2023.

SCHEDULE 3
Commitment-Linked Amortization Repayment Schedule

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

Principal Payment Date	Installment Share
On each April 15 and October 15 Beginning April 15, 2031 through October 15, 2048	2.7 %
On April 15, 2049	2.8 %

APPENDIX

Definitions

1. “Annual Work Plan and Budget” and the acronym “AWPB” each means the plan and budget referred to in Section I.C of Schedule 2 to this Agreement; as said plan may be modified from time to time with the prior written no-objection of the Bank.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
4. “DOH” means the Borrower’s Department of Health, or any successor thereto.
5. “Emergency Response Manual” or “ERM” means the manual referred to in Section I.E.1(a) of Schedule 2 to this Agreement, to be adopted by the Borrower for the Emergency Response Part in accordance with the provisions of said Section.
6. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
7. “Emergency Expenditure” means any of the eligible expenditures set forth in the ERM in accordance with the provisions of Section I.E of Schedule 2 to this Agreement and required for the Emergency Response Part.
8. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 4 of the Project.
9. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 20, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower, through DOH, shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
10. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of

Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.

11. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018.
12. “MPA Program” means the multiphase programmatic approach program supported by the Bank and designed to assist IBRD and IDA-eligible countries in their efforts to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
13. “Operating Costs” means the incremental operating costs of the Project, considered to be reasonable by the Bank and included in an Annual Work Plan and Budget, incurred by the Borrower for purposes of Project management, implementation, and monitoring and evaluation on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, office space rental, building and equipment maintenance, domestic and international travel, lodging, and subsistence allowances, and salaries and salary supplements of contractual and temporary staff, but excluding salaries, salary supplements and overheads of members of the Borrower’s civil service.
14. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.

15. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
16. "Project Operations Manual" mean the manual to be adopted by the Borrower, through DOH, for the implementation of the Project referred to in Section I.B of Schedule 2 to this Agreement, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement; (d) environmental and social impact management measures; (e) monitoring and evaluation, reporting and communication; (f) an integrity action plan, (g) personal data collection and processing in accordance with good international practice, roles and responsibilities for Project implementation; and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; as said manual may be modified from time to time with the prior written approval of the Bank, and such term includes any schedules to such manual.
17. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.
18. "Training" means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding consultants' fees and salaries, bonuses, fees and honoraria or equivalent payments of members of the Borrower's civil service.