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LOAN NUMBER 9117-BY

# Loan Agreement

(Belarus Emergency COVID-19 Response Project)

Under the COVID-19 Strategic Preparedness and Response Program  
(SRSP)  
Using the Multiphase Programmatic Approach

between

REPUBLIC OF BELARUS

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

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## **LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF BELARUS ("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 ninety million Euro (€90,000,000), 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 Fixed 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 February 15 and August 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 the Ministry of Health (MoH), shall cause the Republican Scientific and Practical Center for Medical Technologies, Informatization, Administration and Management of Health (RSPC MT) to carry out the Project, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The MoH Ministerial Order referred to in Section I.A.3 of Schedule 2 to this Agreement has been amended, suspended, abrogated, repealed, waived or not enforced, in such a manner so as to affect materially and adversely, in the opinion of the Bank, the ability of RSPC MT to carry out the Project.
  - (b) The RSPC MT's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially or adversely, in the opinion of the Bank, RSPC MT's ability to carry out the Project pursuant to the Ministerial Order.
- 4.02. The Additional Events of Acceleration consists of the following, namely that any event specified in Section 4.01 (a) and (b) of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

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

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative is the Borrower's Deputy Prime Minister or its successor thereof.
- 6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Council of Ministers of the Republic of Belarus  
House of Government  
Minsk, 220010  
Sovetskaya Str. 11  
Republic of Belarus; and

(b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
375 17 2226665	contact@government.by

- 6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Facsimile:	E-mail:
1-202-477-6391	akremer@worldbank.org

AGREED as of the Signature Date.

**REPUBLIC OF BELARUS**

By

  
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Authorized Representative

Name: Vladimir S. Karanik  
Minister of Health

Title: of the Republic of Belarus

Date: June 1, 2020

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By

  
\_\_\_\_\_

Authorized Representative

Name: Alexander Kremer

Title: Country Manager for Belarus

Date: June 1, 2020

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in Belarus.

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

#### **Part 1: Emergency COVID-19 Measures and Rapid Emergency Response**

Providing immediate support to prevent COVID-19 from arriving or limiting local transmission through containment strategies, including the following:

Strengthening the health system through, *among others*, assisting the health care system for preparedness and response to provide optimal medical care and minimize risks for patients and health personnel by, *inter alia*:

- a. equipping, expanding and/or rehabilitating intensive care units (ICU) in selected health facilities with medical supplies, medicines and equipment to treat COVID-19 patients as well as training and selected operating costs;
- b. supporting the acquisition and distribution of modern, well equipped and functional ambulances and essential equipment needed for those vehicles to support timely access to ICUs by COVID-19 patients and referrals between facilities, if needed;
- c. providing public medical laboratories' and health facilities' staff with appropriate medical protective equipment, diagnosing reagents including kits needed, and training, to detect, prevent and treat COVID-19 patients, as well as training for longer term capacity building for pandemic preparedness; and
- d. supporting communication preparedness and activities through, *inter alia*, developing messages and materials to increase knowledge and understanding of the general public and relevant stakeholders on the risks and potential impact linked to COVID-19.

#### **Part 2: Project Implementation and Monitoring**

Supporting the implementation and management of the Project including: (i) support for procurement, financial management, environmental and social risk management, monitoring and evaluation, and reporting; (ii) recruitment and training of PMU and technical consultants; and (iii) operating costs.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

1. The Borrower shall vest the overall responsibility for the implementation of the Project in MoH and to this end, through MoH shall:
  - (a) cause RSPC MT to:
    - (i) operate and maintain, throughout Project implementation, the Project Management Unit (PMU) responsible for the day-to-day management of the Project, with qualified staff in sufficient numbers, as well as facilities, services and other resources for Project implementation, monitoring and evaluation, all acceptable to the Bank and in line with the POM; and
    - (ii) retain or select and hire, no later than thirty (30) days after the Effective Date, a coordinator, a technical health specialist, a legal specialist, a monitoring and evaluation specialist, a social and environmental specialist, procurement specialists, a financial specialist, a communication specialist and others if needed, all under terms of reference and in a manner acceptable to the Bank.
  - (b) ensure, throughout Project implementation, the coordination between RSPC MT and other MoH's subordinated agencies and health facilities participating in the implementation of the Project, all with appropriate powers, functions, capacity, staffing and resources to fulfill their respective responsibilities under the Project as set forth in the POM. RSPC MT will report to MOH on a regular basis on the progress of the activities described in Schedule 1 of the Agreement and internal coordination among relevant stakeholders.
2. The Borrower, through MoH, shall cause RSPC MT to:
  - (a) carry out the Project in accordance with the requirements set forth in the POM containing detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, personal data collection and processing in accordance with

the applicable WHO and national guidelines, roles and responsibilities for Project implementation, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Bank; and

- (b) not assign, amend, abrogate, or waive the POM or any of its provisions, except with the prior written approval of the Bank. In the event of a conflict between the terms of the POM and those of this Agreement, the terms and conditions of this Agreement shall prevail.
3. To facilitate the carrying out of the Project, the Borrower, through MoH, shall issue a Ministerial Order, under terms and conditions acceptable to the Bank (Ministerial Order) which shall include, *inter alia*, the obligation of RSPC MT to:
- (a) implement the Project in accordance with the pertinent provisions of this Agreement, the Anti-Corruption Guidelines and the POM;
  - (b) promptly inform the Borrower and the Bank of any condition which interferes, or threatens to interfere, with the performance of its obligations under the Ministerial Order; and
  - (c) take or permit to be taken all actions to enable the Borrower to comply with the obligations referred to in this Agreement as applicable to RSPC MT.

**B. Environmental and Social Standards**

- 1. The Borrower, through MoH, shall cause RSPC MT to carry out the Project 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 MoH, shall cause RSPC MT to 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 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 MoH, shall cause RSPC MT to ensure that:
  - (a) all measures necessary 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 MoH, shall cause RSPC MT to 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 MoH, shall cause RSPC MT to 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.

7. The Borrower, through MoH, shall cause RSPC MT to prepare and adopt, no later than one (1) month from the Effective Date, an Environmental and Social Management Framework (ESMF) satisfactory to the Bank.

**Section II. Project Monitoring, Reporting and Evaluation**

The Borrower, through MoH, shall cause RSPC MT to furnish to the Bank each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester.

**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: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; 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 EURO)	Percentage of Expenditures to be financed (exclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Operational Costs, and Training for the Project	89,775,000	100%
(2) Front-end Fee	225,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	90,000,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed thirty six million Euro (€36,000,000) may be made for payments made twelve (12) months prior to this Signature Date for Eligible Expenditures.
2. The Closing Date is June 30, 2022.

**SCHEDULE 3**

The Borrower shall repay the principal amount of the Loan in full on February 15, 2031.

## **APPENDIX**

### **Definitions**

1. "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.
2. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. "COVID-19" means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
4. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated April 13, 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 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.
5. "ESMF" means the Borrower's Environmental and Social Management Framework which contains guidelines for complying with relevant national legislation and World Bank safeguards, and describes Bank's procedures directly related to the Project; it identifies potential positive, negative and cumulative environmental impacts and measures to mitigate and prevent these impacts, as well as reviews and assesses social and environmental risks and impacts, measures and activities to ensure the implementation of the Project in accordance with the World Bank Environmental and Social Standards (ESS) (as defined hereinafter) related to the implementation of the Project in Belarus.
6. "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 Historically Underserved Traditional Local Communities";

- (viii) "Environmental and Social Standard 8: Cultural Heritage";  
(ix) "Environmental and Social Standard 9: Financial Intermediaries"; and  
(x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Bank.
7. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing", dated December 14, 2018.
  8. "ICU" means intensive care units established in the Borrower's health facilities pursuant to the Borrower's Ministerial Order № 483 of the MoH (as defined hereinafter) dated May 2, 2012; "ICUs" means the plural thereof.
  9. "Ministerial Order" means MoH Ministerial Order No. 474 dated April 22, 2020 designating responsibility to RSPC MT for the implementation of the Project, as referred to in Section I.A.3 of Schedule 2 to this Agreement.
  10. "MoH" means the Borrower's Ministry of Health, or any successor thereto.
  11. "MPA Program" means the multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
  12. "Operating Costs" means reasonable incremental expenses incurred by the Borrower on account of Project implementation, including costs related to audits, office equipment and supplies, bank charges, per diem, and salaries of contracted employees, but excluding salaries of officials of the Borrower's civil service.
  13. "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.
  14. "Project Management Unit" or "PMU" means the unit within RSPC MT referred to in Section I.A.1 (a) (i) of Schedule 2 to this Agreement.
  15. "Project Operational Manual" or "POM" means the Borrower's manual to be adopted by the Borrower in accordance with Section I.A.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Bank.
  16. "RSPC MT" means the Borrower's Republican Scientific and Practical Center for Medical Technologies, Informatization, Administration and Management of Health established pursuant to RSPC MT's Legislation, or any successor thereto acceptable to the Bank.

17. "RSPC MT's Legislation" means the Borrower's Resolution of the Council of Ministers No. 109 of February 28, 1992 "On Establishment of the Ministry of Health Center for Medical Technology, Public Health Informatics and Economy"; the MoH's Order No. 46 of March 13, 1992 "On Establishment of the Belarusian Center for Public Health Informatics, Management and Economy"; the MoH's Order No. 470 of June 4, 2007 "On Renaming the State Establishment "Belarusian Center for Medical Technology, Public Health Informatics, Management and Economy and Approval of the Articles of Association" (as revised by the MoH's Order No. 1297, dated 2015).
18. "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.
19. "Training" means the expenses (other than those for consultants' services) incurred by the Borrower to finance the reasonable travel costs (i.e. accommodation, transportation, travel insurance and *per diem, inter alia*) of trainees and trainers (if applicable), training registration fees, catering, rental of training facilities and equipment, logistics and printing services, as well as training materials, all for the purposes of, and directly related to, the training activities described in the Project, all based on semi-annual budgets acceptable to the Bank.
20. "WHO" means World Health Organization.