

**LOAN NUMBER 9378-BR**

# **Loan Agreement**

**(Paraná Public Sector Modernization and Innovation for Service Delivery Operation)**  
*(Projeto de Inovação e Modernização da Gestão Pública no Paraná)*

**between**

**STATE OF PARANÁ**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between STATE OF PARANÁ (“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 and thirty million Dollars (US\$ 130,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the program described in Part 1 of Schedule 1 to this Agreement (“Program”), and the project described in Part 2 of Schedule 1 to this Agreement (“Project”) (the Program and the Project hereinafter jointly referred to as the “Operation”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account (to which the amounts of the Loan are credited) shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Borrower’s Secretary of Planning and Structured Projects or any person or persons whom he/she shall designate.
- 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.
- 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 May 1 and November 1 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.
- 2.08. The Borrower may request the Conversions of Loan terms, in each case with the prior non-objection of the Guarantor, through its Secretariat of the National Treasury of the Guarantor’s Ministry of Economy.

### **ARTICLE III — OPERATION**

3.01. The Borrower declares its commitment to the objective of the Operation. To this end, the Borrower shall:

- (a) through SESA, carry out Part 1(a) of the Program, with the assistance of the Participating Municipalities;
- (b) through SEDEST, cause IAT to carry out Part 1(b) of the Program, with the assistance of DC;
- (c) through SEPL, SEAP, and Casa Civil, carry out Part 1(c) of the Program; and
- (d) through SEPL, carry out Part 2 of the Project;

all under the overall coordination of SEPL and in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement, the Implementation Agreement, and the Commitment Agreements, as applicable.

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

4.01. The Additional Events of Suspension consist of the following:

- (a) that the SESA Resolution shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank after consultation with the Borrower, the ability of the Borrower or the Participating Municipalities to perform any of its obligations under this Agreement;
- (b) that any of the Participating Municipalities shall have failed to perform any of their obligations under the corresponding Commitment Agreements so as to affect materially and adversely, in the opinion of the Bank after consultation with the Borrower, the ability of the Borrower to perform any of its obligations under this Agreement; or
- (c) that IAT shall have failed to perform any of its obligations under the Implementation Agreement so as to affect materially and adversely, in the opinion of the Bank after consultation with the Borrower, the ability of the Borrower to perform any of its obligations under this Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, that any of the events specified in Section 4.01 (a) and (c) of this Agreement occurs and is continuing for a period of 90 days after notice of the event has been given by the Bank to the Borrower.

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

5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) that the Operational Manual referred to in Section I.C of Schedule 2 has been prepared, approved, and adopted in a manner acceptable to the Bank; and

- (b) that the Implementation Agreement referred to in Section I.B of Schedule 2 has been entered into between the Borrower, through SEDEST, and IAT, in form and substance acceptable to the Bank.
- 5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.
- 5.03. For purposes of Section 9.05 (b) of the General Conditions, the obligations of the Borrower under this Agreement (other than those providing for payment obligations) shall terminate twenty (20) years after the Signature Date.

#### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. Except as provided in Section 2.02 of this Agreement, the Borrower's Representative is its Governor.
- 6.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Palácio Iguaçú  
Gabinete do Governador  
Praça N. Senhora de Salete, 3º Andar  
Curitiba, PR 80530-909  
Brazil; and

(b) the Borrower's Electronic Address is:

E-mail: [ratinhojunior@governadoria.pr.gov.br](mailto:ratinhojunior@governadoria.pr.gov.br);  
[agendacarlosmassa@governadoria.pr.gov.br](mailto:agendacarlosmassa@governadoria.pr.gov.br)

With copy to:

Secretaria de Estado do Planejamento e Projetos Estruturantes  
Palácio das Araucárias  
Rua Jacy Loureiro de Campos, s/n - 4º and - Centro Cívico  
80530-140 - Curitiba – PR  
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[augustozanardini@sefa.pr.gov.br](mailto:augustozanardini@sefa.pr.gov.br)

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:

Telex:

Facsimile:

E-mail:

248423(MCI) or  
64145(MCI)

1-202-477-6391

[jzutt@worldbank.org](mailto:jzutt@worldbank.org)

AGREED as of the Signature Date.

**STATE OF PARANÁ**

**By**

*Ratinho Júnior*

**Authorized Representative**

**Name:** Ratinho Júnior

**Title:** GOVERNADOR

**Date:** 23-nov-2022

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By**

*JZ*

**Authorized Representative**

**Name:** Johannes Zutt

**Title:** Country Director

**Date:** 23-Nov-2022

## SCHEDULE 1

### Program Description

The objectives of the Operation are to respond to the COVID-19 pandemic in the Borrower's territory and improve the efficiency of the Borrower's health and other priority public services.

The Operation consists of the Program (Part 1) and the Project (Part 2) as follows:

#### **Part 1: Strengthening of health service delivery, including environmental determinants of health, and supporting cross-cutting areas of public sector management**

The Program consists of the following selected result areas and activities:

- a) **Strengthen the Borrower's Health Service Delivery by:**
  - (i) expanding SESA's hospital bed capacity to deliver COVID-19 related treatment;
  - (ii) reorganizing the Borrower's healthcare system (SUS) to improve its capacity to provide integrated healthcare services, through the conversion of Small Hospitals into UCMs, including the rehabilitation of existing facilities and equipment, and the provision of training of health and administrative staff; and
  - (iii) developing and rolling out of an integrated digital strategy and an operational plan for the Borrower's health system, aiming at better coordination of services across different levels of care, including the development of an integrated health information system and an ambulance management system (SAMU Mobile).
  
- b) **Strengthen environmental and disaster risk management information systems to improve public service delivery and decision making by:**
  - (i) strengthening geospatial information for environmental and disaster risk monitoring environmental and disaster risk data, including for the health sector; and
  - (ii) strengthening the emergency warning system for disaster risk and environmental management systems.
  
- c) **Promoting Planning and Public Investment Management by:**

Strengthening the Borrower's territorial planning and investment preparation and management capacity, including through: (i) the development of Regional Productive Development Plans and preparation of their respective investment projects, and (ii) the adoption of a new investment project management (PIM) methodology and deployment of a new public platform for investment project management (PIM System).

## Part 2: Technical Assistance to Implement the Program (the Project)

The Project consists of the following activities:

- a) **Public Investment.** Provision of technical assistance for the design and implementation of procedures for public investment project preparation, in line with international best practices, including, *inter alia*:
  - (i) assessing the Borrower's legal framework for public investment management;
  - (ii) supporting the development of manuals, guidelines and tools for the preparation, selection, appraisal, implementation, monitoring and evaluation of public investment projects, including procedures for environmental and social screening of projects, as well as for the selection of projects based on climate change, poverty, and gender considerations; and
  - (iii) supporting the design and deployment of a public platform for investment project management, from project inception through evaluation.
- b) **Digital Platform for Regional Productive Development Plans.** Provision of technical assistance to develop an integrated digital public platform to support the monitoring of Regional Productive Development Plans and their respective investment projects.
- c) **Digital Innovation Platform.** Provision of technical assistance to design and implement an open digital platform to leverage the use of public data to facilitate public planning, academic research, and the identification of private investment opportunities.
- d) **Human Resources Management.** Provision of technical assistance to implement human resources management strategies and practices, including, *inter alia*:
  - (i) developing a strategic workforce plan;
  - (ii) establishing a talent-pool and talent management system;
  - (iii) modernizing human resource recruitment and competency assessment systems;
  - (iv) strengthening human resources management practices in compliance with the Borrower's human resources management legal framework; and
  - (v) assessing the civil service health insurance program and options for alternative cost-saving solutions.
- e) **Enhancing Public Asset Management.** Provision of technical assistance to carry out an assessment of public real estate occupancy and use, including, *inter alia*: (i) on-site verification visits, the creation of occupancy parameters for all institutional properties, adaptation of the existing property management system, and an energy audit and a climate change risk and vulnerability assessment, (ii) the provision of recommendations to strengthen the real estate management efficiency, including on staff relocation and consolidation, maintenance and conservation, and (iii) the preparation of an occupational manual to provide guidance for public managers in the planning for the use of public real estate.
- f) **Project Implementation Support.** Provision of support for the technical and administrative management of the Operation, including, *inter alia*, capacity building on internal controls and verification of DLIs, and monitoring and evaluation.



## SCHEDULE 2

### Operation Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Borrower shall establish, and thereafter operate and maintain, at all times during the execution of the Operation, a PMU within SEPL to implement, coordinate, monitor and report on the execution of the Operation, with qualifications, functions, key staff (including a general coordinator, a financial management specialist, a monitoring and evaluation specialist, a procurement specialist, and an environmental and social specialist), capacity and resources, all satisfactory to the Bank, as further detailed in the Operational Manual.
2. No later than forty-five (45) days after the Effective Date, the Borrower shall establish, and thereafter, operate and maintain, throughout the implementation of the Operation, a Steering Committee (the "Steering Committee"), responsible for Operation oversight and coordination, with the composition, functions and resources set forth in the Operational Manual.

##### B. Implementation Arrangements

1. For purposes of carrying out Part 1 (b) of the Program, the Borrower, through SEDEST, shall enter into an agreement with IAT (the "Implementation Agreement"), under terms and conditions acceptable to the Bank, including, *inter alia*, the obligation of IAT to: (i) carry out the activities which fall within their administrative jurisdiction under the Program; and (ii) comply with the pertinent provisions of this Schedule, including complying with the provisions of the Operational Manual and the Anti-Corruption Guidelines.
2. For purposes of carrying out Part 1 (a) of the Program, the Borrower, through SESA, shall enter into an agreement with each of the Participating Municipalities (the "Commitment Agreement"), under terms and conditions acceptable to the Bank, including, *inter alia*, the obligation of each Participating Municipality to: (i) carry out the activities which fall within their administrative jurisdiction under the Program; and (ii) comply with the pertinent provisions of this Schedule, including complying with the provisions of the Operational Manual and the Anti-Corruption Guidelines.
3. The Borrower shall exercise its rights and carry out its obligations under the Implementation Agreement and each of the Commitment Agreements in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Program. Except as the Bank shall otherwise agree in writing, the Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce the Implementation Agreement or any of the Commitment Agreements, or any of their provisions.

##### C. Operational Manual

1. Without limitation upon the provisions of Article V of the General Conditions, the Borrower shall carry out and cause the Operation to be carried out in accordance with the

- Operational Manual, which shall include, *inter alia*: (a) the Program Action Plan; (b) the Program Fiduciary, Environmental and Social Systems; (c) the Annual Targets and Verification Protocol for DLIs and DLRs and the Result Monitoring Framework; (d) the terms of reference for the Independent Verification Agency; (e) the functions, responsibilities and composition of the PMU, including its obligation to comply with the Anti-Corruption Guidelines and follow-up on any related allegation; (f) a detailed description of the activities and institutional arrangements for the Operation, including the technical, administrative and fiduciary functions of the Implementing Agencies and the Participating Municipalities; (g) the budget lines and detailed expenditures under the Program; (h) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (i) the monitoring indicators for the Project; (j) the grievance mechanism; and (k) the composition and functions of the Steering Committee.
2. Except as the Bank may otherwise agree in writing, the Borrower shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.
  3. In case of any conflict between the terms of the Operational Manual and this Agreement, the provisions of this Agreement shall prevail.

**D. Independent Verification Agency**

The Borrower, through SEPL, shall:

1. appoint and thereafter maintain, at all times during the implementation of the Program, an independent verification agency with terms of reference acceptable to the Bank (“Independent Verification Agency”), to verify the data and other evidence supporting the achievement of one or more DLRs and recommend corresponding payments to be made, as applicable; and
2. ensure that the Independent Verification Agency (i) carries out the verification process in accordance with the Verification Protocol; and (ii) submits to SEPL the corresponding verification reports in a timely manner and in form and substance satisfactory to the Bank.

**E. Program Action Plan**

The Borrower, through SEPL, shall:

1. undertake the actions set forth in the Program Action Plan in a manner satisfactory to the Bank;
2. except as the Bank and the Borrower shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Program Action Plan, or any provision thereof; and
3. maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Program Action Plan.

**F. Environmental and Social Standards**

1. The Borrower, through SEPL, 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 SEPL, 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 SEPL, shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as 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 SEPL, shall 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 SEPL, shall ensure that an accessible grievance mechanism is operated and maintained throughout the Project 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.

**Section II. Excluded Activities**

The Borrower shall ensure that the Program excludes any activities which:

- A. in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost \$50,000,000 equivalent or more per contract; (2) goods, estimated to cost \$30,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost \$30,000,000 equivalent or more per contract; or (4) consulting services, estimated to cost \$15,000,000 equivalent or more per contract.

**Section III. Program and Project Monitoring, Reporting and Evaluation**

**A. Program and Project Reports**

The Borrower shall furnish to the Bank each Program Report and Project Report not later than ninety (90) days after the end of each calendar semester, covering the calendar semester.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

- 1. 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) with respect to the **Program**: finance Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Borrower, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); and
  - (b) with respect to the **Project**: finance the Eligible Expenditures in the amount allocated and up to the percentage set forth against Category (6);

all as set forth in the table in paragraph 2 of this Part A.

- 2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in said Category:

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Results (DLRs)	Amount of the Loan Allocated (expressed in USD)	Percentage of Eligible Expenditures to be financed (inclusive of Taxes)
(1) DLI #1: Number of SUS hospital beds available to treat COVID-19 patients during the Peak of the Pandemic in the Borrower's territory	Average of 4,000 ICU and clinical beds/day	30,125,000	N/A
(2) DLI #2: Number of Small Hospitals converted into Multi- professional Care Units (UCM)	(a) SESA Resolution issued and published (b) 40 UCMs established	(a) 5,000,000  (b) 35,000,000 to be disbursed as follows: (i) 8,750,000 upon the first 10 UCMs established, and (ii) 875,000 for each UCM established thereafter  Total: 40,000,000	N/A
(3) DLI #3: Production Rate of Selected UCMs	(a) At least 50% Production Rate (b) Up to 65% Production Rate (c) Up to 75% Production Rate	(a) 3,693,000 (b) 2,770,000 (c) 2,772,000  Total: 9,235,000	N/A

<p>(4) DLI #4: Deployment of Online Intelligent Platform for environmental management containing Key Health Surveillance Information and Key Disaster Risk Information</p>	<p>(a) GeoPR Health Surveillance Dashboard containing geospatial data of: (i) reported cases of dengue and leptospirosis, (ii) outbreaks of waterborne and foodborne diarrheal diseases, and (iii) water quality for human consumption.</p> <p>(b) GeoPR Health Surveillance Dashboard integrating the following data at the municipal level: (i) cases of dengue with environmental sanitation, sewage, solid waste collection and treatment, and land disposal sites; and (ii) cases of leptospirosis with floods and natural environmental disasters data.</p> <p>(c) I9 Portal containing an updated Air Quality Alert System, including on-line real-time alerts.</p> <p>(d) Planialtimetric base of the Borrower's territory at a scale of 1:10.000 available at GeoPR Portal</p> <p>(e) (i) Selected GeoPR Portal Data available online at I9 Portal, and (ii) updated SISMAAD containing spatiotemporal stochastic models for precipitation and risk</p>	<p>(a) 8,750,000 (b) 7,500,000 (c) 5,625,000 (d) 2,500,000 (e) 625,000</p> <p>Total: 25,000,000</p>	<p>N/A</p>
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<p>(5) DLI #5: Development of Regional Productive Development Plans and a new public investment management system in support of post COVID economic recovery</p>	<p>(a) Eight Selected Regions have completed the Diagnostic Phase for the preparation of their Regional Productive Development Plans</p> <p>(b) Eight Regional Productive Development Plans have been approved and published</p> <p>(c) Eight Short Term Investment Projects (one under each of the eight Regional Productive Development Plans) appraised and with implementation started</p> <p>(d) Decree establishing the PIM System</p> <p>(e) PIM System deployed</p>	<p>(a) 4,900,000 (b) 4,900,000 (c) 4,000,000 (d) 1,540,000 (e) 800,000</p> <p>Total: 16,140,000</p>	<p>N/A</p>
<p>(6) Goods, non- consulting services, consulting services, Operating Costs and Training for the Project</p>		<p>9,500,000</p>	<p>100%</p>
<p><b>Total Amount of the Loan</b></p>		<p><b>130,000,000</b></p>	<p>-</p>

**B. Withdrawal Conditions for the Program**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) on the basis of DLRs achieved prior to the Signature Date, except those withdrawals up to an aggregate amount not to exceed \$30,125,000 may be made on the basis of DLRs achieved prior to this date but on or after December 7, 2020.
  - (b) for any DLR under Categories (1) to (5) until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved in form and substance acceptable to the Bank, as further detailed in the Verification Protocol.

2. Notwithstanding the provisions of Part B.1 of this Section, the Borrower may withdraw an amount not to exceed \$6,025,000 as an advance under the Loan; provided, however, that if the DLRs, in the opinion of the Bank, are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.
3. Notwithstanding the provisions of Part B.1 of this Section, if any of the DLRs under Categories (1) through (5) has not been achieved, the Bank may, as applicable, by notice to the Borrower:
  - (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula set forth in the Verification Protocol;
  - (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and
  - (c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.
4. Notwithstanding the provisions of Part B.1 of this Section, the Bank may, after consultation with, and by notice to the Borrower, adjust from time to time the targets set forth for specific DLRs.

**C. Withdrawal Conditions for the Project**

Notwithstanding the provisions of paragraph B.1 of this Section, no withdrawal shall be made for payments made prior to the Signature Date.

**D. Operation Withdrawal Period**

The Closing Date is October 31, 2027. The Bank may grant an extension of the Closing Date only after the Guarantor's Ministry of Economy has informed the Bank that it agrees with such extension.



### 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”).

##### Level Principal Repayments

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each May 1 <sup>st</sup> and November 1 <sup>st</sup> Beginning May 1 <sup>st</sup> , 2027 through November 1 <sup>st</sup> , 2046.	2.5%

## APPENDIX

### Section I. Definitions

1. “Air Quality Alert System” means a number of automatic air-quality stations measuring different pollutants in the air, as further detailed in the Verification Protocol.
2. “Anti-corruption Guidelines” means: (a) for purposes of paragraph 6 of the Appendix to the General Conditions for the Program, the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015; and (b) for purposes of paragraph 6 of the Appendix to the General Conditions for the Project, the Bank’s 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. “Casa Civil” means the Borrower’s Governor Chief of Staff Secretariat.
4. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
5. “DC” means the Borrower’s Civil Defense Coordination (*Coordenadoria Estadual da Defesa Civil*) or any successor thereto acceptable to the Bank.
6. “Commitment Agreement” means any of the agreements to be entered into between the Borrower, through SESA, and each of the Participating Municipalities, pursuant to the SESA Resolution and the provisions of Section I.B.2 of Schedule 2 to this Agreement.
7. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
8. “Diagnostic Phase” means a phase in the preparation of the Regional Productive Development Plan, referred to in the Borrower’s Decree No. 9,518 dated November 22, 2021, and as further defined in the Verification Protocol.
9. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
10. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, achieved in a manner acceptable to the Bank, per the details included in the Verification Protocol, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
11. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Borrower’s environmental and social commitment plan, acceptable to the Bank, dated March 8<sup>th</sup>, 2022, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting

arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

12. “Environmental and Social Standards” 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”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
13. “General Conditions” means the General Conditions for the Program and/or the General Conditions for the Project, as applicable.
14. “General Conditions for the Program” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
15. “General Conditions for the Project” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
16. “GeoPR Portal” means the Borrower’s online portal containing various geospatial-related resources to manage the Borrower’s geospatial data, as further detailed in the Verification Protocol.
17. “GeoPR Health Surveillance Dashboard” means the online health surveillance dashboard publicly available at the GeoPR Portal, as further described in the Verification Protocol.
18. “Guarantor” means the Federative Republic of Brazil.
19. “I9 Portal” means the Borrower’s online portal (*Portal I9 Ambiental*) for online access to data, environmental information, services and products with applied geographic intelligence (including information generated through the air monitoring network).
20. “IAT” means the Borrower’s Water and Land Institute (*Instituto Água e Terra*), the Borrower’s agency administratively linked to the Borrower’s Secretariat of Sustainable Development and Tourism (*Secretaria de Desenvolvimento Sustentável e do Turismo - SEDEST*), established pursuant to the Borrower’s Law No. 10.066 of 1992, as amended, and the Borrower’s Law 20.070 of 2019, or any successor thereto acceptable to the Bank.
21. “ICU” means Intensive Care Unit (*Unidade de Cuidado Intensivo*).

22. “Implementing Agencies” means the following entities responsible for the implementation of the Operation: SEPL, Casa Civil, IAT, DC, SESA, and SEAP.
23. “Implementation Agreement” means the agreement to be entered into between the Borrower, through SEPL, and IAT, pursuant to the provisions of Section I.B.1 of Schedule 2 to this Agreement.
24. “Independent Verification Agency” means the Borrower’s Institute for Economic and Social Development (*Instituto Paranaense de Desenvolvimento Econômico e Social, IPARDES*) or any other agency acceptable by the Bank which, for purposes of Section I.D of Schedule 2 to this Agreement, will be the entity responsible for conducting third-party verification for all DLIs, to be submitted as part of the Program Reports or on a demand-driven basis.
25. “Key Disaster Risk Information” means spatiotemporal stochastic models for precipitation and risk, whose warning will be available through the I9 Portal, as further detailed in the Verification Protocol.
26. “Key Health Surveillance Information” means the Borrower’s data related to, *inter alia*, (i) dengue, environmental sanitation, sewage, collection and solid waste treatment, and land disposal sites; and (ii) leptospirosis data, including floods and natural environmental disasters data, as further detailed in the Verification Protocol.
27. “Online Intelligent Platform” means the Borrower’s virtual platform that combines a set of tools, including core platforms, cloud, digital, artificial intelligence, machine learning, security, and IT tool, and computer interface (including interface with the GeoPR Health Surveillance Dashboard, the I9 Portal, and SISMAAD), as further defined in the Verification Protocol.
28. “Operation” means collectively the Program and the Project.
29. “Operating Costs” means the reasonable incremental operational costs related to technical and administrative management, preparation, monitoring and supervision required under the Operation, including, *inter alia*, office supplies, travel costs (including accommodations, transportation costs, and *per diem*), printing services, communication costs, utilities, maintenance of office equipment and facilities, vehicle operation and maintenance costs, and logistics services.
30. “Operational Manual” means the manual acceptable to the Bank to be prepared and adopted by the Borrower, referred to in Section I.C of Schedule 2 to this Agreement, as said manual may be amended from time to time with the prior and written agreement of the Bank.
31. “Participating Municipalities” means the municipalities located in the Borrower’s territory, that are participating in Part 1 (a) of the Operation, under the terms of the SESA Resolution and the Commitment Agreements.
32. “Peak of the Pandemic” means the time period between February 1, 2021 and July 31, 2021.
33. “PIM System” means the new electronic platform for project management of the Borrower’s public investments, issuing a unique identifier for each project and processing each step of

the projects (from project identification to appraisal), to be developed, approved, and implemented under the Operation, as further described in the Verification Protocol.

34. “PMU” means the Borrower’s project management unit referred to in Section I.A.1 of Schedule 1 to this Agreement.
35. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions for the Project, the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, dated November 2020.
36. “Production Rate” means the average ratio (percentage) between the volume of health services delivered by a UCM in a 12-month period and the total production capacity that this UCM has to produce health services in the same given period, as further detailed in the Verification Protocol.
37. “Program Action Plan” means the plan agreed between the Borrower and the Bank, referred to in Section I.E of Schedule 2 to this Agreement, which details the gaps identified during the Borrower’s system assessment, including, among others, financial management, procurement, and environmental and social matters, attached to the Operational Manual, as said plan may be amended from time to time with the prior and written agreement of the Bank.
38. “Regional Productive Development Plan” means any of the regional productive development plan to be developed and implemented in Selected Regions to support their post-COVID economic recovery, according to the terms of the State Decree No. 9,518 dated November 22, 2021, and as further detailed in the Verification Protocol.
39. “SAMU Mobile” means the Borrower’s digital ambulance management system (an application that can be used in mobile phones), developed by the Borrower to facilitate citizens’ reach and contact with the emergency ambulance and medical services, which will be further developed throughout the Program.
40. “SEAP” means the Borrower’s Secretariat of Public Administration (*Secretaria de Estado de Administração e Previdência*) or any successor thereto acceptable to the Bank.
41. “Selected GeoPR Portal Data” means the information generated by the GeoPR Health Surveillance Dashboard and the planialtimetric mapping in a scale of 1:10,000, as further detailed in the Verification Protocol.
42. “Selected Regions” means the regions in the Borrower’s territory referred to in the Verification Protocol identified to prepare and implement Regional Productive Development Plans under the Program.
43. “Selected UCMs” means 10 out of the first 15 UCMs to be established and maintained during the execution of the Operation, in accordance with the provisions of the SESA Resolution and the Verification Protocol, and to be selected in compliance with the Verification Protocol.
44. “SEPL” means the Borrower’s Secretariat of Planning and Structured Projects (*Secretaria de Estado de Planejamento e Projetos Estruturantes*) or any successor thereto acceptable to the Bank.

45. “SESA” means the Borrower’s Health Secretariat (*Secretaria de Estado de Saúde*) or any successor thereto acceptable to the Bank.
46. “SESA Resolution” means the resolution to be adopted by the Borrower under DLI #2, acceptable to the Bank, defining legal, financial, technical and operational procedures, as well as service standards and protocols required for the conversion of Small Hospitals into UCMs, including a template Commitment Agreement, or any other executive act that might replace or amend it in a manner and in form and substance acceptable to the Bank.
47. “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.
48. “SISMAAD” means the Borrower’s system for disaster monitoring, alert and alarm (*Sistema de Monitoramento, Alerta e Alarme de Desastres*), a real time monitoring system that issues and disseminates alerts via text messages and television networks to the Borrower’s population.
49. “Small Hospital” means any municipal health care facility directly managed by the Participating Municipalities offering five to 50 clinical beds, named “*Hospital de Pequeno Porte*” (HPP), as further defined in the SESA Resolution and acceptable to the Bank.
50. “Short Term Investment Projects” means the development projects of low complexity that will be implemented in the Selected Regions (one for each Selected Region) as part of the Regional Productive Development Plans, as further detailed in the Verification Protocol.
51. “Steering Committee” means the committee referred to in Section I.A.2 of Schedule 2.
52. “SUS” means the Guarantor’s Unified Health System (*Sistema Único de Saúde*).
53. “Training” means expenditures (other than those for consulting services) incurred in connection with the carrying out of training, seminars, and workshops, including the reasonable travel costs (e.g., accommodations, transportation costs, and per diem) of trainees and trainers (if applicable), catering, rental of training facilities and equipment, logistics and printing services, as well as training materials under the Project.
54. “UCM” means any of the Borrower’s multi-professional care units (*unidade de cuidado multiprofissional*), a Small Hospital that complies with the requirements for conversion set forth in the SESA Resolution and the Verification Protocol, in a manner acceptable to the Bank.
55. “Verification Protocol” means the protocol agreed between the Borrower and the Bank, to be used to verify the data and other evidence supporting the achievement of one or more DLIs and DLRs, attached to the Operational Manual. Such protocol may be modified from time to time with the agreement of the Bank.