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**LOAN NUMBER 9227-IN**

# **Loan Agreement**

**(Mizoram Health Systems Strengthening Project)**

**between**

**INDIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

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## **LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between INDIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

WHEREAS the Borrower has requested the Bank to contribute to the financing of a project to be implemented in Mizoram for an overall cost currently estimated at US\$ 40,000,000.

NOW, THEREFORE, 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 thirty-two million Dollars (US\$ 32,000,000), 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.
- 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 March 15 and September 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 objective of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project 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 any of the following officials acting severally: The Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary, or Under Secretary of the Department of Economic Affairs of the Borrower's Ministry of Finance.

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

(a) the Borrower's address is:

Secretary  
Department of Economic Affairs  
Ministry of Finance  
Government of India  
North Block  
New Delhi 110 001, India; and

(b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
+91-11-23094075	secy-dea@nic.in

- 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:

Facsimile:	Email:
1-202-477-6391	wbindia@worldbank.org

AGREED as of the Signature Date.

**INDIA**

**By**



**Authorized Representative**

Rajat Kumar Mishra

**Name:** \_\_\_\_\_

Rajat Kumar Mishra

**Title:** \_\_\_\_\_

17-Jun-2021

**Date:** \_\_\_\_\_

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By**



**Authorized Representative**

Junaid Kamal Ahmad

**Name:** \_\_\_\_\_

Country Director

**Title:** \_\_\_\_\_

16-Jun-2021

**Date:** \_\_\_\_\_

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve management capacity and quality of health services in Mizoram.

The Project consists of the following parts:

#### **Part 1: Strengthen Management and Accountability through Internal Performance Agreements**

Provision of Performance Incentive Grants to Health Agencies and Health Facilities to improve governance and management structures.

#### **Part 2: Improve Design and Management of the State Health Insurance Programs**

- (i) Strengthening of policy and design of health insurance schemes in Mizoram for increased operational efficiency.
- (ii) Strengthening of institutional capacity, systems and processes of the Mizoram State Health Care Society for greater accountability.
- (iii) Support for community interventions to spread awareness, improve enrolment and increase demand and utilization of health insurance schemes.

#### **Part 3: Enhance Quality of Health Services and Support Innovations**

- (i) Support for improvements in delivery and quality of health services, through:  
(a) development and implementation of quality assurance programs at health centers and hospitals; (b) preparation of additional health facilities for accreditation; (c) repair and upgradation of infrastructure at health centers and hospitals; and (d) strengthening of diagnostic services.
- (ii) Improvement in management of biomedical waste generated by government and private health services.
- (iii) Strengthening of human resources system for the health sector.
- (iv) Design, development and piloting of innovative models to improve health service delivery, including engaging community platforms and frontline workers, supporting community and home-based palliative care, screening for non-communicable diseases, developing comprehensive primary care services through health and wellness centers, and use of commercial drones for emergency supplies and telemedicine to improve access to services.

#### **Part 4: Contingent Emergency Response Component**

Provision of immediate response to an Eligible Crisis or Health Emergency.

## **SCHEDULE 2**

### **Project Execution**

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

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

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity in accordance with the Borrower's standard arrangements for developmental assistance to the states of India. Notwithstanding the foregoing, in the event that any provision of this Agreement, including the instructions that the Bank shall have specified by notice to the Borrower pursuant to Section III.A of this Schedule 2, were to be found inconsistent with the Borrower's standard arrangements for development assistance to the states of India, the provisions of this Agreement and related instructions shall govern.
2. The Borrower shall at all times protect its own interests and the interests of the Bank to accomplish the purposes of the Loan.

##### **B. Environmental and Social Standards**

The Borrower shall cause the Project Implementing Entity to comply with its environmental and social obligations under or referred to in the Project Agreement.

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

The Borrower shall cause the Project Implementing Entity to 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.

#### **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:

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Incremental Operating Costs and Training and Workshops for the Project under Parts 2 and 3 of the Project	18,420,000	100%
(2) Performance Incentive Grants under Part 1 of the Project	13,500,000	100% of the amount disbursed
(3) Emergency Expenditures	0	
(4) Front-end Fee	80,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>32,000,000</b>	

**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, except that withdrawals up to an aggregate amount not to exceed \$ 3,000,000 may be made for payments made prior to this date but on or after July 1, 2020 for Eligible Expenditures under Category (1);
  - (b) under Category (2) unless and until the Project Implementing Entity has prepared, approved and adopted the Project Operations Manual in a manner and substance satisfactory to the Bank; or
  - (c) under Category (3), unless and until the Bank is satisfied, and has notified the Borrower and the Project Implementing Entity of its satisfaction, that all of the following conditions have been met:

- (i) the Borrower and/or the Project Implementing Entity have determined that an Eligible Crisis or Health Emergency has occurred, have furnished to the Bank a request to include certain activities in the Contingent Emergency Response Component (CER Component) in order to respond to said Eligible Crisis or Health Emergency, and the Bank has agreed with such determination, accepted said request, and notified the Borrower and the Project Implementing Entity thereof;
- (ii) the Project Implementing Entity has prepared and disclosed all environmental and social instruments, acceptable to the Bank, required for said activities, and has implemented any actions which are required to be taken under said instruments all in accordance with the provisions of Section I.E.4(b) of the Schedule to the Project Agreement;
- (iii) the Project Implementing Entity has provided sufficient evidence satisfactory to the Bank that the Coordinating Authority has adequate staff and resources in accordance with the provision of Section I.E.3 of the Schedule to the Project Agreement, for the purposes of said activities; and
- (iv) the Project Implementing Entity has adopted a CERCM in form, substance and manner acceptable to the Bank and the provisions of the CERCM remain, or have been updated in accordance with the provisions of Section I.E.1(a) of the Schedule to the Project Agreement, so as to be appropriate for the inclusion and implementation of said activities under the respective CER Component.

2. The Closing Date is March 31, 2026.

**Section IV. Other Undertakings**

- 1. The Borrower shall, through the Project Implementing Entity, ensure that no drones are procured and/or used under the Project unless the Project Implementing Entity has implemented the risk mitigation measures pursuant to paragraph 1 of Section III of the Schedule to the Project Agreement, in form and manner satisfactory to the Bank.



### 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 March 15 and September 15 Beginning September 15, 2026 through March 15, 2035	5.26%
On September 15, 2035	5.32%

## 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. “Beneficiary” means a Health Agency or Health Facility selected to receive Performance Incentive Grant in accordance with Section I.C of the Schedule to the Project Agreement.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Contingent Emergency Response Component Manual” or “CERCM” means the manual referred to in Section I.E.1(a) of the Schedule to the Project Agreement, acceptable to the Bank, to be adopted by the Project Implementing Entity for the implementation of the CER Component, in accordance with the provision of said Section.
5. “Contingent Emergency Response Component” or “CER Component” means Part 4 of the Project, as described in Schedule 1 to this Agreement.
6. “Contingent Emergency Response Implementation Plan” or “CERIP” means the action plan referred to in Section I.E.2 of the Schedule to the Project Agreement, acceptable to the Bank, to be prepared by the Project Implementing Entity for the implementation of the CER Component, in accordance with the provision of said Section.
7. “Coordinating Authority” means the entity or entities designated by the Project Implementing Entity in the CERCM, and approved by the Bank pursuant to Section I.E.1(a) of the Schedule to the Project Agreement, to be responsible for coordinating and implementing the CER Component.
8. “Department of Health and Family Welfare” or “DoHFW” means the Project Implementing Entity’s Department of Health and Family Welfare, or any successor thereto.
9. “Directorate of Hospital and Medical Education” means the Directorate of Hospital and Medical Education under the DoHFW, or any successor thereto.
10. “Directorate of Medical and Public Health” means the Directorate of Medical and Public Health under the DoHFW, or any successor thereto.

11. “Eligible Crisis” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Project Implementing Entity, associated with a natural or man-made crisis or disaster.
12. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERCM, in accordance with the provision of Section I.E.1(a) of the Schedule to the Project Agreement, and required for the activities described in such manual to be financed under the CER Component.
13. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 5, 2021, 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.
14. “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”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
15. “General Conditions” 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 and on December 21, 2020).
16. “Health Agency” means either of the following agencies: Directorate of Medical and Public Health, Directorate of Hospital and Medical Education, Mizoram State Health Care Society, and the office of Mizoram’s Chief Minister at the district level.
17. “Health Emergency” means an event that has caused, or is likely to imminently cause, a major adverse health impact to the Project Implementing Entity, associated with a natural or man-made crisis or disaster.
18. “Health Facility” means a district level hospital, community health center or primary health center within Mizoram.

19. “Incremental Operating Costs” means the incremental expenditures for salaries of contractual staff (other than consultants), per diems, office rental, office supplies, utilities, conveyance, travel and boarding/lodging allowances, operation and maintenance of office equipment and vehicles, advertising expenses and bank charges, insurance, media broadcastings, newspaper subscriptions, periodicals, and printing and stationery costs incurred by the Borrower in connection with the management, coordination and implementation of Project’s activities, which expenditures would not have been incurred absent the Project, but excluding salaries and salary top-ups of the Borrower’s and the Project Implementing Entity’s civil servants.
20. “Internal Performance Agreement” means the agreement to be entered into by and between a Beneficiary and the Project Implementing Entity, pursuant to Section I.C.2 of the Schedule to the Project Agreement, and in accordance with the provisions of the Project Operations Manual, setting forth the terms and conditions applicable to the Performance Incentive Grant.
21. “Mizoram State Health Care Society” means the Mizoram State Health Care Society registered as a society under the Mizoram Societies Registration Act, 2005, established as the nodal agency to implement health insurance schemes within Mizoram.
22. “Performance Incentive Grant” means a grant made to a Beneficiary in accordance with the provisions of Section I.C of the Schedule to the Project Agreement and the provisions of the Project Operations Manual.
23. “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.
24. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
25. “Project Executive Committee” means the executive committee established by DoHFW via its order no. W.11024/1/19-HFW(PP)/Wed(NOTIFICATION) dated September 16, 2020.
26. “Project Implementing Entity” means the Borrower’s state of Mizoram.
27. “Project Management Unit” or “PMU” means the unit established by the DoHFW via its order no. W.11024/1/19-HFW(PP)/Wed(NOTIFICATION) dated September 16, 2020.

28. “Project Operations Manual” means the manual to be prepared, approved and adopted by the Project Implementing Entity in accordance with Section I.B of the Schedule to the Project Agreement, as such manual may be amended from time to time with the prior concurrence of the Bank.
29. “Project Steering Committee” means the steering committee established by DoHFW via its order no. W.11024/1/19-HFW(PP)/Wed(NOTIFICATION) dated September 16, 2020.
30. “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.
31. “Training and Workshops” means the training, study tours, conferences and workshops conducted and/or attended by staff from the Project Implementing Entity and/or other stakeholders, in the territory of the Borrower or, subject to the Bank’s prior no objection, overseas, including the purchase and publication of materials, rental of facilities, course fees, and lodging, travel expenses and per diems for trainers and/or trainees.