
LOAN NUMBER 9328 - PH

Loan Agreement

(Philippines COVID-19 Emergency Response Project –Additional Financing 2)

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”).

WHEREAS (A) under (i) an agreement, dated as of April 28, 2020, as amended on December 29, 2020, and (ii) an agreement dated as of March 19, 2021, as amended on September 21, 2021 (the “Original Loan Agreement”), between the Borrower and the Bank, the Bank agreed to provide an original loan in the amount of one hundred million Dollars (\$100,000,000) and the first additional loan in the amount of five hundred million Dollars (\$500,000,000) to assist in financing the project described in Schedule 1 to the Original Loan Agreement (the “Original Project”); and

(B) the Borrower has requested the Bank to provide additional financial assistance in support of additional activities related to the Original Project, by extending to the Borrower a second additional loan in the amount of three hundred million Dollars (\$300,000,000) for this purpose.

WHEREAS the Bank has agreed, on the basis, *inter alia*, of the foregoing to extend such additional financial assistance to the Borrower upon the terms and conditions set forth in this Agreement;

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, the Original Loan Agreement or in this Agreement (including the Preamble and the Appendix hereto).

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of three hundred million Dollars (\$300,000,000), 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 June 21, 2023 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 June 15 and December 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 Additional Conditions of Effectiveness consist of the following, namely:
 - (a) the Borrower has updated the Project Operations Manual in form and substance satisfactory to the Bank; and
 - (b) the Borrower has updated the Guidelines for Implementation of the National Deployment and Vaccination Plan in form and substance satisfactory to the Bank.
- 4.02. 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
64145(MCI)

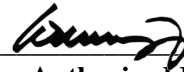
1-202-477-6391

PhilippinesCMU@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF THE PHILIPPINES

By



Authorized Representative

Name: Secretary Carlos G. Dominguez

Title: Secretary of Finance

Date: 29-Dec-2021

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Ndiamé Diop

Title: Country Director

Date: 25-Dec-2021

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 Original Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

- A. Section I (Implementation Arrangements) of Schedule 2 to the Original Loan Agreement is hereby incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement, and the Borrower undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.
- B. For greater clarity and the avoidance of doubt, in view of the above incorporation of Section I of Schedule 2 to the Original Loan Agreement in this Agreement, if the Original Loan Agreement terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the Original Loan Agreement incorporated in this Agreement pursuant to Section I above shall continue in full force and effect between the Borrower and the Bank for purposes of this Agreement following and notwithstanding such termination of the Original Loan Agreement.

Section II. Project Monitoring Reporting and Evaluation

- A. Section II (Project Monitoring Reporting and Evaluation) of Schedule 2 to the Original Loan Agreement is hereby incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement, and the Borrower undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.
- B. For greater clarity and the avoidance of doubt, in view of the above incorporation of Section II of Schedule 2 to the Original Loan Agreement in this Agreement, if the Original Loan Agreement terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the Original Loan Agreement incorporated in this Agreement pursuant to Section I above shall continue in full force and effect between the Borrower and the Bank for purposes of this Agreement following and notwithstanding such termination of the Original Loan Agreement.

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 under Part 1.2 of the Project | 300,000,000 | 100% |
| (2) Emergency Expenditures | 0 | 100% |
| TOTAL AMOUNT | 300,000,000 | |

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, except that withdrawals up to an aggregate amount not to exceed sixty million Dollars (\$60,000,000) may be made for payments made prior to this date but on or after December 31, 2020, for Eligible Expenditures under Category (1); or
 - (b) for Emergency Expenditures under Category (2), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (2); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.
2. The Closing Date is December 29, 2023.

Section IV. Other Undertakings

A. Standards for COVID-19 Vaccine Approval.

All Project COVID-19 Vaccines shall satisfy the Vaccine Approval Criteria.

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

| Principal Payment Date | Installment Share |
|---|--------------------------|
| On each June 15 and December 15 Beginning June 15, 2027 through December 15, 2039 | 3.7% |
| On June 15, 2040 | 3.8% |

APPENDIX

Definitions

1. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
2. “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, December 21, 2020, and April 1, 2021).
3. “Guidelines for Implementation of the National Deployment and Vaccination Plan” means the Borrower’s consolidated national guidelines to implement the National Deployment and Vaccination Plan to be issued by DOH providing operational guidance in deployment of vaccines, and monitoring and reporting on vaccine deployment by local government units.
4. “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.