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LOAN NUMBER 9098 -SZ

# Loan Agreement

(Eswatini Covid-19 Emergency Response Project)

between

KINGDOM OF ESWATINI

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

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## **LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between KINGDOM OF ESWATINI (“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 six million dollars, (USD 6,000,000), 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 shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

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

- 4.02. For purposes of Section 9.05 (b) of the General Conditions, the date on which the obligations of the Borrower under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Borrower's Representative is its Minister of Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Ministry of Finance  
P.O. Box 443  
Mbabane  
Eswatini; and

(b) the Borrower's Electronic Address is:

Telex:	Facsimile:
2109 WD	+268 240 43187

- 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	mmarienelly@worldbank.org

AGREED as of the Signature Date.

**KINGDOM OF ESWATINI**

**By** Hon. Neal Rijkenberg

**Authorized Representative**

**Name:** Hon. Neal Rijkenberg

**Title:** Minister Finance Eswatini

**Date:** 29-Apr-2020

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By** Marie Françoise Marie-Nelly

**Authorized Representative**

**Name:** Marie Françoise Marie-Nelly

**Title:** Country Director

**Date:** 28-Apr-2020

## SCHEDULE 1

### Project Description

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

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

#### **Part 1: Emergency COVID-19 Response**

1. Strengthening COVID-19 case detection, confirmation, contact tracing, recording and reporting through *inter alia*: (a) strengthening disease surveillance systems and in-country testing capacity through scaling up rapid near patient molecular testing and other testing technologies, including strengthening health facilities, the National Reference Laboratory (NRL), and other public health laboratories in specimen collection, packaging, storage, shipment and epidemiological capacity for early detection and confirmation of cases; (b) combining detection of new cases with active contact tracing; (c) supporting epidemiological investigation; (d) strengthening risk assessment; (e) strengthening screening, isolation and follow up of travelers at point of entry; and (f) providing on-time data and information for guiding decision-making, response and mitigation activities.
2. Strengthening the health system for COVID-19 preparedness planning through; *inter alia*:
  - (a) assisting the health care system for preparedness planning to provide optimal medical care, maintain essential community services and minimize risks for patients and health personnel by, *inter alia*: (i) providing training on risk for health facilities' staff and front-line workers on risk mitigation measures; and (ii) providing health facilities' staff with appropriate protective equipment, water supply, sanitation, hygiene materials and health care waste management services;
  - (b) strengthening clinical capacity through, *inter alia*: (i) developing financing plans for the establishment of specialized units in selected hospitals; (ii) developing treatment guidelines and hospital infection control guidelines; (iii) establishing local isolation units in selected hospitals; and (iv) providing clinical training to health workers on widespread infection control; and
  - (c) relieving the burden on inpatient and outpatient health care services through *inter alia*: (i) recruit temporary surge capacity for service delivery; (ii) reorganizing, repurposing and equipping selected health facilities (including the Lubombo referral hospital and the Raleigh Fitkin Memorial hospital) for the delivery of critical medical services and increased demand of services due to the outbreak; (iii) developing intra-hospital infection control measures; and (iv) procuring fully equipped ambulances for highly infectious diseases.
3. Improving the implementation of social distancing measures and strengthening communications preparedness through *inter alia*: (a) developing well-design communication strategy targeting parents, traditional and religious leaders and general public; (b) developing guidelines for managing at risk groups, including elderly isolation, pension pick-up situations and people with HIV and other chronic conditions; (c) carrying

out behavior change communication activities that (i) support cost-effective and sustainable methods including promoting handwashing, food hygiene, and safe water practices through various communication channels (e.g. via mass media, counseling, schools, workplace), and (ii) are integrated into specific ongoing outreach activities of Recipient's ministries and sectors, especially ministries of health, education, agriculture, and transport; (d) carrying out two-way communication activities to raise awareness, knowledge and understanding among the general population on the risk and potential impact of the pandemic; (e) supporting community mobilization through trained community health workers, religious leaders and traditional healers; and (f) developing and distributing basic communication materials on COVID-19 including, *inter alia*: (i) question and answers sheets and fact sheets in Siswati; and (ii) general preventative measures for the general public such as “dos” and “don'ts”; (iii) information and guidelines for health care providers; (iv) training modules (web-based and printed); (v) presentations, slide sets, videos and documentaries; and (vi) symposia on surveillance, treatment and prophylaxis.

## **Part 2: Implementation Management and Monitoring and Evaluation**

1. Carrying out Project management activities, including: (a) strengthening public structures for the coordination and management of the Project, including central and local (decentralized) arrangements for the coordination of Project activities; (b) carrying out financial management and procurement requirements of the Project; (c) strengthening existing structures through the recruitment of additional staff/consultants responsible for overall administration, procurement, and financial management; and (d) carrying out Project coordination activities.
2. Carrying out monitoring and evaluation of the Project, including: (a) monitoring and evaluating prevention and preparedness; (b) building capacity for clinical and public health research, including veterinary, and joint-learning across and within countries; and (c) providing training in participatory monitoring and evaluation at all administrative levels, including: (i) carrying out evaluation workshops; (ii) developing action plans for monitoring and evaluation; and (iii) carrying out successful models workshops.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. National Emergency Management Committee and National Emergency Task Team

The Borrower shall maintain, during Project implementation, a national emergency management committee, with composition, functions and qualified staff in numbers and with experience and terms of reference satisfactory to the Bank, which shall: (a) be chaired by the Borrower's Deputy Prime Minister; and (b) be responsible for Project cabinet-level intersectoral coordination and steering oversight ("National Emergency Management Committee" or "NEMC"). The NEMC shall be supported by a national emergency task team, with composition, functions and qualified staff in numbers and with experience and terms of reference satisfactory to the Bank, which shall: (a) comprise, *inter alia*, members of different sectors and of the National Disaster Management Agency; and (b) be responsible for implementing national and regional emergency plans and procedures, and coordinating the preparedness and response activities under the Project ("National Emergency Task Team" or "NETT").

##### 2. National Public Health Emergency Committee and Senior Management team

The Borrower shall maintain during Project implementation, within MoH and with composition, functions and qualified staff in numbers and with experience and terms of reference satisfactory to the Bank:

- (a) a national public health emergency committee; which shall: (i) chaired by a senior medical officer/public health lead from MOH; (ii) comprise, *inter alia*, public health emergency technical leads and experts and representatives from development partners; (iii) be responsible for providing technical oversight of Project activities ("National Public Health Emergency Committee" or "NPHEC"). Notwithstanding the afore-mentioned, the NPHEC shall maintain regional response committees: which shall: (i) be chaired by emergency response and preparedness officers within each region (being members of the regional health management teams); and (ii) comprise, *inter alia*, of regional nurse managers and designated allied workers responsible for evacuation, isolation of patients and contact tracing; and
- (b) a senior management team, which shall: (i) be chaired the Principal Secretary of MOH; and (ii) be responsible for: (A) providing the necessary resources and overall strategic guidance for Project implementation; and (B) facilitating feedback between the NEMC and NPHEC.

##### 3. Core Implementation Team

By no later than one (1) month after the Effective Date, the Borrower shall establish, and thereafter maintain, during Project implementation a full core implementation team with composition, functions and qualified staff in numbers and with experience and terms of

reference satisfactory to the Bank, which shall: (a) be chaired by a Project coordinator and comprise MOH staff; (b) report to the Principal Secretary of MOH; and (c) be responsible for implementing and coordinating all Project activities, preparing the annual work plans and budget, monitoring and evaluating Project implementation, and carrying out all Project procurement, financial management, environmental and social aspects (“Core Implementation Team”).

## **B. Project Implementation Manual**

1. The Recipient shall:
  - (a) by no later than one (1) month after the Effective Date, prepare and adopt a Project implementation manual (“Project Implementation Manual”) 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 good international practice, 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 Association; and
  - (b) except as the Bank shall otherwise agree in writing; not amend or waive or permit to be amended or waived any provision of the Project Implementation Manual.
2. In case of conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

## **C. Annual Work Plan and Budget**

For purposes of Project implementation, the Borrower shall:

- (a) by not later than November 30<sup>th</sup> of each year during Project implementation, prepare and furnish to the Bank annual work plans, which shall contain all activities proposed to be included in the Project during the following year, and a proposed financing plan for expenditures required for such activities (“Annual Work Plan and Budget”); and
- (b) the Borrower shall afford the Bank a reasonable opportunity to exchange views with the Borrower on each such Annual Work Plan and Budget and thereafter ensure that the Project is implemented with due diligence during said following year in accordance with such work plan and budget as shall have been approved by the Bank.

## **D. Environmental and Social Standards**

1. The Borrower 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 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 shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
  - (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Borrower has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Borrower shall:
  - (a) take all measures necessary on its part 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 management tools and 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) promptly notify the Bank 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 (including any workplace accidents that result in death, serious or multiple injury, pollution; any violent labor unrest or dispute between the Borrower or security forces (assigned to protect the Project) and local communities; or any case of sexual exploitation and abuse, sexual harassment and violence against minors), in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.
4. The Borrower shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

**E. United Nations Agency(ies)**

When engaging any UN Agency(ies) for purposes of supporting the implementation of the Project, the Borrower shall enter into (an) agreement(s) with any UN Agency(ies) under standard forms of agreements approved by the Bank.

**F. Procurement**

Without limitation upon Section 5.13 of Article V of the General Conditions, all contracts procured by the Borrower in accordance with Section V, paragraph 5.1 and 5.2 Advance Contracting and Retroactive Financing of the Procurement Regulations, shall be eligible for financing from the proceeds of the Loan only if the related contractors, suppliers, and consultants have expressly agreed to comply with the Anti-Corruption Guidelines.

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

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

**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 Costs for the Project	5,985,000	100%
(2) Front-end Fee	15,000	
(3) 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>6,000,000</b>	

**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 USD 2,400,000 may be made for payments made prior to this date but on or after January 1, 2020, for Eligible Expenditures under Category (1).
2. The Closing Date is April 30, 2022.

### 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 February 15 and August 15 Beginning February 15, 2025 through August 15, 2050	2%

## 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. “Annual Work Plan and Budget” means the annual work plan and budget for the Project, to be prepared on an annual basis by the Borrower.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Core Implementation Team” means the unit referred to in Section I.A.3 of Schedule 2 to this Agreement.
5. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
6. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Borrower’s environmental and social commitment plan, acceptable to the Bank, dated April 14, 2020, 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.
7. “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 at : <http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf>.
8. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018.

9. “Incremental Operating Costs” means the reasonable incremental expenses incurred by the Borrower on account of Project implementation, including costs related to audits, office equipment and supplies, vehicle operation and maintenance, shipping costs, office rentals, communication and insurance costs, office administration costs, bank charges, utilities, transport costs, travel, per diem and supervision costs, and salaries of contracted employees, including reasonable hazard/indemnity pay, but excluding salaries of officials of the Borrower’s civil service.
10. “MOH” means the Borrower’s Ministry of Health, or any successor thereto.
11. “MPA Program” means the global emergency 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. “National Disaster Management Agency” means the body mandated with coordination, facilitation and implementation of all disaster risk management initiatives in the Borrower’s territory.
13. “National Emergency Management Committee” or “NEMC” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
14. “National Emergency Task Team” or “NETT” means the team referred to in Section I.A.1 of Schedule 2 to this Agreement.
15. “National Public Health Emergency Committee” or “NPHEC” means the committee referred to in Section I.A.2(a) of Schedule 2 to this Agreement.
16. “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
17. “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.
18. “Project Implementation Manual” means the manual referred to in Section I.B of Schedule 2 to this Agreement.
19. “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.
20. “Training Costs” means the reasonable costs associated with training under the Project, based on the relevant Annual Work Plan and Budget, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment

rental, travel, accommodation and per diem costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.

21. "UN Agency(ies)" means any of the departments, specialized agencies, funds or programs of the United Nations (a body established and operating pursuant to the Charter of the United Nations signed on June 26, 1945 and entered into effect on October 24, 1945), which are eligible to be selected pursuant to Procurement Regulations to support the implementation of selected activities under the Project.