
LOAN NUMBER 9293-IR

Loan Agreement

(Additional Financing for Iran COVID-19 Emergency Response Project)

between

Islamic Republic of Iran

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between the ISLAMIC REPUBLIC OF IRAN (“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 Seventy-Six Million One Hundred Thousand Euros (EUR 76,100,000) 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 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. To this end, the Borrower shall carry out the Project, through contracting a Project Implementing Agency in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV —EFFECTIVENESS

- 4.01. The Additional Condition of Effectiveness consists of the following:
- (a) the Agreement for Delivery of Outputs (“Outputs Agreement”) between the Borrower and the Project Implementing Agency has been executed;
 - (b) the Borrower has caused the Project Implementing Agency to update the terms of reference for the engagement of the monitoring agent to undertake an environmental and social standards assessment of Beneficiary Facilities, satisfactory to the Bank;
 - (c) the Borrower has caused the Project Implementing Agency to update the terms of reference for the engagement of the Verification Agent, satisfactory to the Bank; and
 - (d) the Project Agreement between the Bank and the Project Implementing Agency has been executed.
- 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 Ministry of Economic Affairs and Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Borrower’s address is:

Ministry of Economic Affairs and Finance
Davar Avenue
Tehran
Islamic Republic of Iran; and
- (b) the Borrower’s Electronic Address is:

Facsimile: E-mail:

(+98) 21 3396 7769 OIETAI-General@investiniran.ir

- 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: 248423(MCI) or 64145(MCI) Facsimile: (+1) 202 477 6391

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF IRAN

By

Authorized Representative

Name: Ali Fekri

Title: Vice Minister of Ministry of Economic Affairs and Finance and President of OIETA

Date: _____

January 17, 2022

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Saroj Kumar Jha

Authorized Representative

Name: Saroj Kumar Jha

Title: Country Director

Date: January 17, 2022

SCHEDULE 1

Project Description

The objective of the Project is to improve the availability of selected essential, life-saving medical equipment for COVID-19 response in the Borrower's territory.

The Project consists of one part, described as follows:

Part 1: Procurement and distribution of selected essential, life-saving medical equipment for COVID-19 response

Implementing priority activities in responding to the COVID-19 threat through:

- (a) acquisition and distribution of Eligible Goods essential to COVID-19 response; and
- (b) technical assistance to: (i) develop a plan to procure Eligible Goods with appropriate quantities and specifications to respond to COVID-19 crisis; (ii) select Beneficiary Facilities to receive Eligible Goods; and (iii) support compliance with environmental and social standards, monitoring and evaluation, and reporting, including verification and audits.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Borrower shall designate a Project manager, with qualifications and terms of reference acceptable to the Bank, to be responsible for day-to-day coordination of the Project with the Project Implementing Agency.

B. Outputs Agreement

1. To facilitate the carrying out of the Project by the Project Implementing Agency, the Borrower shall:

(a) enter into an Outputs Agreement between the Borrower, represented by the Ministry of Health, and the Project Implementing Agency, containing the terms agreed to by the Bank, including *inter alia*, the following:

(i) the Project Implementing Agency, in consultation with the Borrower, shall identify and quantify Eligible Goods to be procured and their specifications, consistent with Annex I to this Agreement and subject to the Bank's no-objection;

(ii) the Project Implementing Agency shall procure Eligible Goods and cause Eligible Goods to be distributed to Eligible Facilities selected under paragraph 1(a)(iii) below;

(iii) the Borrower, in consultation with the Project Implementing Agency, shall select Beneficiary Facilities receiving Eligible Goods, selection of such Beneficiary Facilities being subject to the Bank's non-objection, and based, *inter alia*, on the following eligibility criteria;

A. Beneficiary Facilities meet environmental and social criteria including Occupational Health and Safety (OHS) management, medical waste management, in line with WHO standards and good international industry practice in a manner consistent with the ESS, and grievance redress mechanisms (GRM) before receiving the equipment;

B. population's needs (including those of the poor and vulnerable) related to COVID-19 are taken into account; and

C. equitable distribution of the equipment which takes into account the size of the population, and level of poverty in the province where each hospital is located.

- (b) make the proceeds of the Loan available to the Project Implementing Agency under the Outputs Agreement through submission to the Bank of a UN Commitment Withdrawal Application for the proceeds of the Loan.
- 2. The Borrower shall exercise its rights under the Outputs Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
- 3. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Outputs Agreement or any of its provisions.

C. Environmental and Social Standards

- 1. The Borrower shall, and shall cause the Project Implementing Agency to, 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, and shall cause the Project Implementing Agency to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower shall, and shall cause the Project Implementing Agency to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Borrower shall ensure, and shall enable the Project Implementing Agency to ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the

ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower shall establish, publicize, maintain and operate an accessible grievance redress mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Progress Reports and Verification Agency

- 1. (a) The Borrower shall cause the Project Implementing Agency to prepare and furnish to the Borrower and the Bank quarterly progress reports, in a format prepared by the Project Implementing Agency in consultation with the Borrower and agreed to by the Bank, summarizing: (i) procurement and distribution of Eligible Goods; (ii) implementation of the ESCP and functioning of the GRM; (iii) status of the indicators in the Project results framework; and (iv) information on any problems or obstacles that the Project Implementing Agency has faced in the implementation of the Project.
- (b) The progress reports shall also include a narrative and financial summary of the status of activities to demonstrate the progress towards the outputs and the linkage between the payments made under the Outputs Agreement and the deliverables and (ii) a quarterly financial report containing information reflected in Section II A.2(c) below.
- (c) The Borrower shall cause the Project Implementing Agency to submit the progress report within thirty (30) days from the end of each quarter.
- 2. (a) The Borrower shall cause the Project Implementing Agency to appoint a Verification Agent, on terms satisfactory to the Bank, to be financed out of the proceeds of this Loan, to conduct a verification of the Project implementation, including, *inter alia*: (i) verification of Eligible Goods procured; (ii) stock balances by storage locations; (iii) verification through post-delivery visits to all Beneficiary Facilities that equipment has been installed and used as intended; and (iv) environmental and social performance, including the functioning of the GRM.
- (b) The Borrower shall cause the Project Implementing Agency to furnish a report on said verification to the Bank and the Borrower, not later than forty-five (45) days after the end of each quarter, and, upon its acceptance by the Bank, to publish said report on the Project Implementing Entity's website.

- (c) The Borrower shall cause the Project Implementing Agency to prepare and furnish to the Borrower and the Bank, no later than thirty (30) days after the end of each quarter, interim unaudited financial report on the use of funds, including: (i) statement of cash contributions/receipts and expenditures; and (ii) explanatory notes, including schedules showing breakdown of funds received, breakdown of expenditures, list of goods procured by type, quantity and cost.

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 shall submit a UN Commitment Withdrawal Application for the proceeds of the Loan, enabling the Project Implementing Agency to withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) interest; 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 EUR)	Percentage of Expenditures to be financed (exclusive of Taxes)
(1) Eligible Goods, non-consulting services, consultants' services, Direct Costs and Indirect Costs under Part 1 of the Project	74,909,750	100%
(2) Front-end Fee	190,250	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(3) Capitalized interest and commitment fees	1,000,000	Amount payable pursuant to Section 2.05 of this Agreement in accordance with Section 2.07(c) of the General Conditions
TOTAL AMOUNT	76,100,000	

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; or
 - (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.
2. The Closing Date is October 31, 2023.

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 December 15, 2025 through June 15, 2033	6.25%

**ANNEX I TO SCHEDULE 2
Eligible Goods under Part 1 of the Project**

NO	Items
1.	Echasonography
2.	Ultrasonic Probe
3.	CT Scan (Computed Tomography Scan)
4.	Portable Digital x-ray Machine
5.	Biplane Angiographic x-ray
6.	Magnetic resonance imaging (MRI)
7.	Direct Digital Radiography
8.	Plasmapheresis Machine
9.	CT Angiography
10.	Plasma Sterilizer
11.	Bronchoscopy Machine
12.	Plethysmography Machine
13.	Extracorporeal membrane oxygenation (ECMO)
14.	Continuous Renal Replacement Therapy (CRRT)
15.	Video Laryngoscope
16.	Automated Microbial Culture System with accessories
17.	Automated Identification and Antimicrobial Susceptibility Testing System with accessories
18.	Real Time PCR Instrument
19.	Automated Nucleic Acid Extraction System
20.	Microcentrifuge (Microfuge)
21.	Micropipette Complete set
22.	Automated Clinical Chemistry Analyzer (Low or medium throughput) - <i>analyzers will be based on photometric and/or ion-selective electrodes</i>
23.	Automated Clinical Chemistry Analyzer (High throughput) - <i>analyzers will be based on photometric and/or ion-selective electrodes</i>
24.	Electrolyte Analyser
25.	Automated Immunoassay Analyser (Low or medium throughput)

26.	Automated Immunoassay Analyser (High throughput)
27.	Automated Hematology Cell Counter (Low or medium throughput) - <i>instrument will be based on the “impedance measurement” technique</i>
28.	Automated Hematology Cell Counter (High throughput) - <i>instrument will be based on the “impedance measurement” technique</i>
29.	Blood Gas Analyser (Low or medium throughput)
30.	Blood Gas Analyser (High throughput)
31.	Medical Laboratory Microscope
32.	Automated Immunohistochemistry (IHC) system
33.	Cryostat Machine
34.	Cytocentrifuge Instrument
35.	Paramagnetic analyzer
36.	Mask Particulate Filtration Efficiency Test Machine(PFE)
37.	Mask bacterial filtration efficiency (BFE) detector
38.	Ventilator Tester
39.	Real Time PCR
40.	Gel doc
41.	Elisa reader
42.	Western Blot system
43.	Capillary Electrophoresis Cassettes and Columns and Vials
44.	NanoDrop(Spectrophotometer)
45.	Freezer-80 Celsius
46.	Pyrogen Test Instrument
47.	Test lung Simulator
48.	High performance liquid chromatography
49.	Gas chromatography
50.	Electrocardiograph tester
51.	Electroencephalography tester
52.	Health Wearables Testing
53.	Breathing Simulator

54.	Battery for defibrillator tester- impulse 7000
55.	Tester CMRR
56.	Minion Oxford nanopore sequencer
57.	ABI Genetic analyzer 3500
58.	NGS system
59.	Host Cell Protein Kits(Vero)
60.	Host Cell Protein Kits(HEK)
61.	Host Cell Protein Kits(CHO)
62.	Host Cell DNA Kits(Vero)
63.	Host Cell DNA Kits(HEK)
64.	Host Cell DNA Kits(CHO)
65.	Host Cell Protein Kits(Hi5)
66.	Host Cell Protein Kits(sf9)
67.	LAL Kit for endotoxin
68.	C Plus elisa kit

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 Facilities” means civilian health facilities in the Borrower’s territory selected by the Borrower, in consultation with the Project Implementing Agency based on the criteria agreed to by the Bank, to receive Eligible Goods, selection of such Beneficiary Facilities being subject to the Bank’s non-objection.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “COVID 19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
5. “Direct Costs” means the actual cost of the Project Implementing Agency that can be directly traced to the deliverables set forth in Annex I of the Outputs Agreement.
6. “Eligible Goods” means the positive list of goods set forth in Annex I of Schedule 2 to this Agreement, as such list may be modified from time to time with the prior written approval of the Bank.
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated August 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.
8. “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.

9. “Financial Management Framework Agreement” or “FMFA” means the Financial Management Framework Agreement between the World Bank and WHO, dated June 15, 2006. For purposes of the FMFA, the “World Bank” means the Association and the International Bank for Reconstruction and Development.
10. “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, April 1, 2021, and January 1, 2022).
11. “Indirect Costs” means the indirect costs incurred by the Project Implementing Agency as a function and in support of the Project, which cannot be traced unequivocally to the deliverables and technical outputs of the Project.
12. “Outputs Agreement” means the agreement between the Borrower and the Project Implementing Agency to carry out activities under this Project, all in form and substance satisfactory to the Bank, as the same may be amended from time to time with the agreement of the Bank.
13. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
14. “Project Implementing Agency” means WHO, with which the Borrower shall enter into the Outputs Agreement for provision of the activities under Part 1 of the Project.
15. “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.
16. “UN Commitment Withdrawal Application” means a blanket withdrawal application delivered by the Borrower to the Bank in accordance with Section III.A of Schedule 2 to this Agreement, instructing the Bank to make direct payment to the Project Implementing Agency of all amounts requested by the Project Implementing Agency in accordance with this Agreement, the Outputs Agreement and Disbursement and Financial Information Letter.
17. “United Nations Financial Regulations and Rules” mean the Financial Regulations and Rules of the United Nations (ST/SGB/2003/7 dated May 9, 2003) as amended.
18. “Verification Agent” means a non-governmental firm or organization, with recognized expertise in monitoring and evaluation of development projects, including for financial management, procurement, and environmental safeguards aspects of such development projects, to be engaged by the Project Implementing Agency for carrying out third party verification in accordance with Section II.A(3) of Schedule 2 to this Agreement.
19. “WHO” means the World Health Organization.

20. "World Bank Group" means the Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Centre for the Settlement of Investment Disputes, and the Multilateral Investment Guarantee Agency.