Financing Agreement

(COVID-19 Emergency Response and Pandemic Preparedness Project)

between

PEOPLE’S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
CREDIT NUMBER 6605-BD

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between PEOPLE’S REPUBLIC OF BANGLADESH (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association 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 — CREDIT

2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for the purposes of the General Conditions, in an amount equivalent to seventy-two million nine hundred thousand Special Drawing Rights (SDR72,900,000) (variously “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one half of one percent (1/2 of 1%) per annum of the Unwithdrawn Financing Balance.

2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.

2.06. The Payment Dates are March 15 and September 15 in each year.
2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project and the MPA Program. To this end, the Recipient shall, through its Ministry of Health and Family Welfare, 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 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient 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 Recipient’s Representative is the Senior Secretary/Secretary or the Additional Secretary, or any Joint Secretary, Joint Chief, Deputy Secretary, Deputy Chief, Senior Assistant Secretary, Senior Assistant Chief, Assistant Secretary or Assistant Chief of the Economic Relations Division of the Ministry of Finance.

5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

Economic Relations Division
Ministry of Finance
Government of the People’s Republic of Bangladesh
Sher-E-Bangla Nagar 1207
Dhaka, Bangladesh; and

(b) the Recipient’s Electronic Address is:

Facsimile: +88029180788 / +88029180671
E-mail: secretary@erd.gov.bd
5.03. For purposes of Section 11.01 of the General Conditions: (a) The Association’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association’s Electronic Address is:

Facsimile:
1-202-477-6391

AGREED as of the Signature Date.

PEOPLE’S REPUBLIC OF BANGLADESH

By

Authorized Representative

Name: Fatima Yasmin
Title: Secretary, Economic Relations Division
Date: April 10, 2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Mercy Miyang Tembon
Title: Country Director
Date: April 10, 2020
SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient to prevent, detect and respond to the threat posed by COVID-19 and strengthen its national systems for public health preparedness.

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

Part 1: Emergency COVID-19 Response

1.1 Provision of assistance to: (a) strengthen disease surveillance systems, public health laboratories, and epidemiological capacity for early detection and confirmation of cases; (b) combine detection of new cases with active contact tracing; (c) support epidemiological investigation; (d) strengthen risk assessment; and (e) provide on-time data and information for guiding decision-making and response and mitigation activities.

1.2 Support for implementation of immediate responses to mitigate inter-personal transmission of COVID-19, based on protocols for escalation and de-escalation, backed up by a well-designed communication strategy.

1.3 Support to the health care system for preparedness planning to provide optimal medical care, maintain essential community services and to minimize risks for patients and health personnel, including training health facilities staff and frontline workers on risk mitigation measures and providing them with the appropriate protective equipment and hygiene materials.

1.4 Supporting community preparedness activities and strategies, including inter alia: (a) community awareness strategy development, testing, and implementation; and (b) enhancing infrastructures to disseminate information from national and sub-national levels and between the public and private sectors.

Part 2: Supporting National and Sub-national Prevention and Preparedness

2.1 Support for expanding the scope and improving the functionality of the Public Health Emergency Operations Center, including inter alia upgrading the system for epidemiology intelligence, information gathering and use, rapid response, improving risk communication and community engagement, and capacity building of the Directorate General of Health Services, including the Institute for Epidemiology, Disease Control and Research.
2.2 Enhancing the health emergency surveillance capacity of the District Health System and tertiary care level hospitals through: (a) improving the functionality of epidemiology units; and (b) supporting the District Health Information System to enable timely reporting.

2.3 Support for stockpiling of critical medical supplies and vaccines, including enhancing forecasting capability, strengthening of sub-national distribution channels, developing inventory systems, and provision of therapeutic medicines and vaccines.

Part 3: Implementation Management and Monitoring and Evaluation

3.1 Support for Project implementation and management, including for procurement, financial management, monitoring and evaluation, and capacity strengthening of the Project Implementation Unit, as needed.

3.2 Support for monitoring and evaluation for preparedness and prevention and carrying out research on relevant operational topics related to inter alia, COVID-19 preparedness and response efforts.

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.

Project Steering Committee

1. No later than two (2) months after the Effective Date, (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), the Recipient, through its Ministry of Health and Family Welfare, shall establish and thereafter maintain throughout the Project implementation period, a steering committee for the Project with a mandate, composition and resources according to the Recipient’s guidelines and to the Association’s satisfaction (“Project Steering Committee”).

2. Without limitation to the generality of Section I.A.1 above, the Project Steering Committee shall be chaired by the Recipient’s secretary of the health services division of the Ministry of Health and Family Welfare, and shall meet at least twice a year during the Project implementation period to provide general oversight and coordination as well as strategic direction and guidance to the Project Implementation Unit.

Project Implementation Committee

3. No later than two (2) months after the Effective Date, (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), the Recipient, through its Ministry of Health and Family Welfare, shall establish and thereafter maintain throughout the Project implementation period an implementation committee for the Project with a mandate, composition and resources according to the Recipient’s guidelines and to the Association’s satisfaction (“Project Implementation Committee”).

4. Without limitation to the generality of Section I.A.3 above, the Project Implementation Committee shall be chaired by the Recipient’s Director General of the Directorate General of Health Services and shall meet at least once each calendar quarter during the Project implementation period to provide technical oversight and supervision support to the Project Implementation Unit.
Project Implementation Unit

5. No later than one (1) month after the Effective Date, (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), the Recipient, through its Ministry of Health and Family Welfare, shall establish and thereafter maintain throughout the Project implementation period, a project implementation unit within the Directorate General of Health Services with a mandate, composition and resources as approved by the Recipient and to the Association’s satisfaction, which shall be responsible for the day to day implementation of the Project (“Project Implementation Unit”).

6. Without limitation to the generality of Section I.A.5. above, the Recipient shall ensure that the Project Implementation Unit includes the following minimum personnel throughout the Project implementation period: (i) Project Director; (ii) Deputy Project Director; (iii) procurement specialist; (iv) financial management specialist; and (vi) monitoring and evaluation specialist, each with terms of reference, qualifications and experience satisfactory to the Association.

B. Data Protection

The Recipient, through its Ministry for Health and Family Welfare, shall ensure that the collection, use and processing (including transfers to third parties) of any Personal Data collected under the Project shall be done in accordance with the best international practice, and ensure legitimate, appropriate and proportionate treatment of such data.

C. Expenditures to be Exclusively Financed with Counterpart Funds

The Recipient shall ensure that procurement of vehicles, recurrent expenditures for the purpose of attending meetings, conferences, seminars, workshops and study visits (sitting allowances / cash per diems / honoraria, notwithstanding eligible expenditures under Operating Costs and Training), and recurrent expenditures for fuel, under the Project are financed exclusively out of its own resources or other resources, and not out of the proceeds of the Financing, and to this end shall provide, promptly as needed, the said resources.

D. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social
Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall 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 Association 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 Recipient shall ensure that:

(a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, 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 Association, 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 Association 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 Recipient shall establish, publicize, maintain and operate an accessible grievance 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 Association.
The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

E. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project ("Contingent Emergency Response Part"), the Recipient shall:

(a) prepare and furnish to the Association for its review and approval, a Contingent Emergency Response Implementation Plan ("CERIP") which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of any relevant safeguard instruments to the Contingent Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Contingent Emergency Response Part;

(b) afford the Association a reasonable opportunity to review the proposed CERIP;

(c) promptly adopt the CERIP for the Contingent Emergency Response Part as accepted by the Association;

(d) ensure that the Contingent Emergency Response Part is carried out in accordance with the CERIP; provided, however, that in the event of any inconsistency between the provisions of the CERIP and this Agreement, the provisions of this Agreement shall prevail; and
(e) not amend, suspend, abrogate, repeal or waive any provision of the CERIP without the prior written approval by the Association.

2. The Recipient shall ensure that no activities are undertaken under the Contingent Emergency Response Part, unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Health Emergency has occurred, has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said Eligible Crisis or Health Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has ensured the disclosure of all Environmental and Social instruments/plans required for said activities in accordance with the ESCP, the Recipient has approved all such instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

3. Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in Part 4 of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CERIP.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient, through its Ministry of Health and Family Welfare, shall furnish to the Association semi-annual Project Reports, not later than sixty (60) days after the end of each calendar semester, covering the calendar semester. 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 the Proceeds of the Financing

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 Recipient may withdraw the proceeds of the Financing 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 Financing Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes)
---|---|---
(1) Goods (excluding vehicles), works, non-consulting services, consulting services, Training, and Operating Costs for Parts 1, 2 and 3 of the Project | 72,900,000 | 100%
(2) Emergency Expenditures under Part 4 of the Project | 0 | 100%
TOTAL AMOUNT | 72,900,000 | 

**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 29,160,000 SDR may be made for payments made prior to this date but on or after January 1, 2020, for Eligible Expenditures under Category (1); or

   (b) For Emergency Expenditures under Category (2), unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:

      (i) the Recipient has determined that an Eligible Crisis or Health Emergency has occurred, has furnished to the Association a request to include the proposed activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Association thereof;

      (ii) the Recipient has ensured that all safeguard instruments, including ESCP, required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been
implemented, all in accordance with the provisions of Section I.D and I.E of this Schedule;

(iii) the entities in charge of coordinating and implementing the Contingent Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.E of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the CERIP, in form and substance acceptable to the Association, and the provisions of the CERIP remain relevant or have been updated in accordance with the provisions of Section I.E of this Schedule so as to be appropriate for the inclusion and implementation of the activities under the Contingent Emergency Response Part.

2. The Closing Date is December 31, 2023.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15, commencing September 15, 2025 to and including March 15, 2045</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing September 15, 2045 to and including March 15, 2050</td>
<td>3.40%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.
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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

3. “Contingent Emergency Response Implementation Plan” or “CERIP” means the action plan referred to in Section I.E of Schedule 2 to this Agreement, acceptable to the Association to be prepared by the Recipient for the implementation of the CER Part, in accordance with the provision of said Section.


5. “District Health Information System” means the Recipient’s open source, web-based health management information system platform that collects routinely reported health data.

6. “District Health System” means the Recipient’s health service delivery system from district level up to the community level.


8. “Eligible Crisis” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

9. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERIP in accordance with the provisions of Section I.E. of Schedule 2 to this Agreement and required for the activities to be financed under the CERIP.

10. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Health Emergency under Part 4 of the Project.
11. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, March 31, 2020, 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 Recipient 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.

12. "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 Association.


14. "Health Emergency" means an event that has caused, or is likely to imminently cause, a major adverse health impact to the Recipient, associated with a natural or man-made crisis or disaster.

15. "Institute for Epidemiology, Disease Control and Research" means the Recipient’s Institute for Epidemiology, Disease Control and Research, established under the Ministry of Health and Family Welfare or any successor thereto.


18. “MPA Program” means the 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.

19. “Operating Costs” mean the reasonable costs required for the day-to-day coordination, administration and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises; office rent; office supplies; utilities; consumables; communication expenses; translation; printing, photocopying and postal expenses; bank charges; advertising expenses; insurance; costs of clearing, forwarding, inspection, survey and transportation of goods; Project-related meeting expenses; Project-related travel, subsistence and lodging expenses, provided that such Operating Costs are paid to the eligible recipient through the banking system (except for petty cash expenses following the Recipient’s existing policy); and salaries and allowances of contractual staff (other than consultants) but excluding salaries and salary top ups of the Recipient’s civil servants, workshop allowances, sitting allowances, cash per diems, honoraria, and fuel.

20. “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.


22. “Project Implementation Committee” has the meaning given to it in Section I.A.3 of Schedule 2 to this Agreement.

23. “Project Implementation Unit” has the meaning given to it in Section I.A.5 of Schedule 2 to this Agreement.

24. “Project Steering Committee” has the meaning given to it in Section I.A.1 of Schedule 2 to this Agreement.

25. “Public Health Emergency Operations Center” means a physical location or virtual space in which the Recipient’s designated public health emergency management personnel assemble to coordinate operational information and resources for strategic management of public health events and emergencies.
26. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

27. "Training" means the reasonable costs required for the participation of personnel involved in training activities, workshops, seminars, conferences and study tours under the Project, which have been approved by the Association in writing on a bi-annual basis, including: (a) travel, hotel, and subsistence costs associated to training, workshops, seminars, conferences and study tours provided that such costs are paid directly to the eligible recipient using the banking system; and (b) costs associated with rental of training and workshop facilities; preparation and reproduction of training, workshop, seminar and conference materials; and other costs directly related to preparation and implementation of any training course, workshop, seminar, conference or study tour; but excluding sitting allowances and honorarium of any nature.