Loan Agreement

(Emergency COVID-19 Health Project)

between

REPUBLIC OF TURKEY

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF TURKEY ("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 ninety-one million four hundred thousand Euros (EUR 91,400,000), 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 January 15 and July 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, through its Ministry of Health ("MoH"), declares its commitment to the objectives of the Project and the MPA Program. To this end, the Borrower shall carry out the Project through MoH in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.
ARTICLE IV — TERMINATION

4.01. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Minister of Treasury and Finance.

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

(a) the Borrower’s address is:
T.C. Hazine ve Maliye Bakanlığı
Inönü Bulvari No. 36
Emek — Ankara
Republic of Turkey; and

(b) the Borrower’s Electronic Address is:
Facsimile:
(90) (312) 204-7366
(90) (312) 204-7367.

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:
248423(MCI) or 64145(MCI) 1-202-477-6391.
AGREED as of the Signature Date.

REPUBLIC OF TURKEY

By

Authorized Representative

Name: K. Çağatay İmirgi

Title: Director General

Date: May 4, 2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Auguste Tano Kouame

Title: Country Director

Date: May 4, 2020
SCHEDULE 1

Project Description

The objective of the Project is prevent, detect, and respond to the threat posed by COVID-19 in Turkey.

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


A. Strengthening Testing and Medical Surveillance Systems and Procurement of Front-line Equipment.

(i) Provision of support for the procurement, acquisition, and nationwide distribution of testing equipment and test kits.

(ii) Scaling up of laboratories and their capacity to carry out testing and analysis.

(iii) Increasing the capacity and/or establishment of capacity for nationwide medical monitoring and surveillance, including, facility testing, mobile outreach testing, and drive-through testing.

(iv) Development, training, and implementation of COVID-19 testing protocols.

(v) Logistics support to enhance the health care supply chain for timely and efficient delivery of testing supplies and equipment to priority locations and facilities, in collaboration with relevant public and private sector agencies.

B. Supporting Disease Management and Treatment.

Provision of:

(i) medical equipment, supplies, and Operating Costs for the diagnosis and treatment of COVID-19 patients in intensive care, including for: (a) regular and temporary field hospital facilities, including those located in areas or provinces heavily affected by the influx of people under temporary protection and those under international protection; and (b) clinical and intensive care units in selected hospitals;

(ii) protective equipment for health care personnel; and

(iii) occupational health safety training to health care personnel on COVID-19 clinical care protocols.

C. Enhancing Public Health Awareness and Behavioral Change.

(a) Development and dissemination of communication strategies and information to
sensitize communities to COVID-19 related risks, and preventative and
government actions, including: (i) provision of Training to additional health care
personnel throughout health and non-health care institutions (e.g., schools,
municipal facilities); and (ii) carrying out of information and communication
activities to increase the attention and commitment of abovementioned
stakeholders to raise awareness, knowledge and understanding of key public health
and behavioral interventions.

(b) Development and implementation of a mechanism to identify needs, set priorities,
and attain feedback from communities (including vulnerable groups such as the
elderly, disabled, large households) and community-based organizations on local
needs, and to serve as an instrument for participatory planning and prioritization
of responses, and the reestablishment of livelihoods.

(c) Development and implementation of a participatory monitoring mechanism to
enable community feedback on the COVID-19 response at the local level,
including training of community members with expert facilitation to monitor local
action.

D. Upgrading Pandemic Surveillance and Response Plans.

Knowledge-exchange and capacity-building to enhance the Borrower’s national pandemic
preparedness and response plan to address potential cyclical future phases associated with
COVID-19 or other pandemics, including data collection, analysis, and support for the
establishment of a monitoring system to track the progress and outcomes of the
government’s pandemic action plan, technical assistance to strengthen the MoH’s
emergency response capacity, and longer-term capacity-building for pandemic and
emergency preparedness for the health sector.


Provision of support, including goods, consulting services, nonconsulting services, and
Operating Costs for Project management and supervision, including for the carrying out of
Project procurement, financial management, environmental and social compliance,
monitoring and evaluation, reporting, and stakeholder engagement.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through MoH, shall:
   
   (a) be responsible for the overall implementation, management, coordination and oversight of the Project, including the Project's administrative, procurement, environmental and social requirements, disbursement, financial management and monitoring and evaluation responsibilities, as specified in the Project Operations Manual ("POM"); and
   
   (b) maintain, throughout Project implementation, a Project Management Support Unit ("PMSU"), with functions and responsibilities acceptable to the Bank, for the implementation of the Project.

2. The Borrower, through MoH, shall maintain at all times qualified staffing, budgetary resources, and authority necessary and appropriate for the satisfactory implementation of the Project.

B. Project Operations Manual

The Borrower, through MoH, shall, by no later than ten (10) days after the Effective Date, prepare and adopt a Project Operations 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 standards, corruption and fraud mitigation measures, a grievance redress mechanism, roles and responsibilities for Project implementation, and such personal data collection and processing in accordance with good international practice other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Bank.

C. Environmental and Social Standards.

1. The Borrower, through MoH, 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, through MoH, 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, through MoH, shall ensure that:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
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, through MoH, shall 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 (including, (i) explosions, spills, and any workplace accidents that result in death, serious or multiple injury, or pollution, (ii) any issues or grievances arising from the surveillance and/or monitoring activities under Part 1 of the Project, (iii) any violent labor unrest or dispute between the Borrower or security forces (assigned to protect the Project) and local communities, (iv) any case of sexual exploitation and abuse, sexual harassment and violence against minors, or (v) any incidents in or related to international waterways or disputed areas), 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 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. The Borrower, through MoH, shall furnish to the Bank each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester.
B. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Borrower, through MoH, 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 finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in EUR)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, and consulting services, Operating Costs and Training for the Project</td>
<td>91,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>91,400,000</td>
<td></td>
</tr>
</tbody>
</table>

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.

2. (a) All amounts withdrawn from the Loan Account shall be used by the Borrower exclusively for the financing of activities agreed with the Bank.

   (b) The Borrower further undertakes that no Loan proceeds or resources may be used for law-enforcement, security, military, or paramilitary purposes or for any payments made to any law-enforcement, security, military, or paramilitary forces without the Bank’s express prior approval.

   (c) If the Bank determines, at any time, that an amount of the Loan was used to make a payment for either: (i) ineligible expenditures; or (ii) eventually used for military or paramilitary purposes, for which the Bank has not given its express prior approval, the Borrower shall, promptly upon notice from the Bank, refund an amount equal to the amount of such expenditures financed by the Bank. All
amounts so refunded to the Bank pursuant to the abovementioned request will be subsequently cancelled.

3. The Closing Date is December 31, 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").

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each January 15 and July 15 Beginning July 15, 2025 through January 15, 2030</td>
<td>9.09%</td>
</tr>
<tr>
<td>On July 15, 2030</td>
<td>9.10%</td>
</tr>
</tbody>
</table>
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.


4. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 17, 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 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.


7. “Ministry of Health” or “MoH” means the Borrower’s Ministry of Health, or any legal successor or successors thereto.

8. “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.
9. "Operating Costs" means reasonable incremental expenses incurred by the Borrower directly on account of Project implementation, management and monitoring, including office supplies, office rental, publication of procurement notices, vehicle operation, office and equipment maintenance and repair, communication, translation and interpretation, travel and supervision costs, subscription to publications and databases, publication fees, and ownership of intellectual property rights, but excluding salaries of officials and employees of the MoH.

10. "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.

11. "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.

12. "Project Management Support Unit" or "PMSU" means the unit established within the MoH for the management and implementation of the Project pursuant to Section I.A.1 (b) of Schedule 2 to this Agreement.

13. "Project Operations Manual" or "POM" means the Project Operations Manual referred to in Section I.B of Schedule 2 to this Agreement, as the said manual may be amended from time to time, with the prior written approval of the Bank, and such term includes any schedules to the POM.

14. "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.

15. "Training" means the reasonable expenditures associated with training activities under the Project, including training courses, seminars, workshops, training materials, space and equipment rental and other related miscellaneous costs not included under service providers' contracts and not included under Operating Costs.