Loan Agreement

(COVID-19 Crisis Emergency Social Safety Nets Project)

between

PLURINATIONAL STATE OF BOLIVIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between PLURINATIONAL STATE OF BOLIVIA ("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 two hundred million Dollars ($200,000,000), 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.

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 May 1 and November 1 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 objective of the Project. To this end, the Borrower shall carry out: (a) Part 1.1 of the Project through ME with the support of GESTORA and in coordination with MEFP; (b) Parts 1.2(a) and 2 through MEFP with the support of GESTORA and AGETIC; (c) Part 3 of the Project through MEFP with the support of GESTORA; and (d) Part 1.2(b) through MDPEP with the support of GESTORA and in coordination with MEFP; all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely, that the Borrower’s legislation establishing Cash Transfers has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the Borrower’s ability to carry out the Project or to perform any of its obligations under this Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, that any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) That the Borrower, through MEFP, has prepared and adopted the Project Operational Manual in a manner satisfactory to the Bank.

(b) That the PCU has been established and staffed as provided under Section I.A.1 of Schedule 2 to this Agreement and in a manner satisfactory to the Bank.

(c) (i) The Borrower has established the arrangements; and (ii) GESTORA has issued the ACG Notices in a manner acceptable to the Bank; all as provided under Section I.A.5 of Schedule 2 to this Agreement.

(d) The Financing Agreement has been signed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. Except as provided in the ESCP, the Borrower’s Representative is the Minister of Development Planning.

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

(a) the Borrower’s address is:
Avenida Mariscal Santa Cruz, 1092
Ministerio de Planificación del Desarrollo
La Paz, Bolivia; and

(b) the Borrower’s Electronic Address is:
E-mail:
despacho.min@planificacion.gob.bo
6.03. 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
E-mail: mfay@worldbank.org

AGREED as of the Signature Date.

PLURINATIONAL STATE OF BOLIVIA

By

Authorized Representative

Name: Álvaro Maldonado Villamarín
Title: Minister of Planning, Finance and Budget
Date: 15 May 2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Indu John-Avraham
Title: Country Manager
Date: May 15, 2020
SCHEDULE 1

Project Description

The objective of the Project is to provide temporary economic support to poor and vulnerable households impacted by the COVID-19 pandemic.

The Project consists of the following parts:

Part 1. Temporary Cash Transfers to Vulnerable Households.

1.1. Temporary cash transfers to vulnerable households with children enrolled in schools.

Provision of BF Cash Transfers.

1.2. Temporary cash transfers to vulnerable households with pregnant women, children below 2 years old, disabled and elderly individuals.

Provision of (a) BCF I Cash Transfers; and (b) BCF II Cash Transfers.

Part 2. Support the Transitory Expansion of the Safety Net to Informal Workers.

Provision of BU Cash Transfers.


Provision of financing for: (a) the expansion of payments to the Eligible Beneficiaries of the Cash Transfer Programs through a single payment platform; and (b) the Project audit.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through MEFP, shall:
   
   (a) establish, and thereafter operate and maintain, throughout Project implementation, a unit within MEFP (the PCU), with structure and responsibilities acceptable to the Bank, as set forth in the Project Operational Manual, including inter alia, the responsibility to provide overall coordination support for Project execution, monitor and supervise the carrying out of the Project (including the provision of support to supervise and report on the Project administrative, financial, technical, procurement, environmental and safeguard aspects), and implement Parts 1.2(a), 2 and 3 of the Project; and
   
   (b) ensure that the PCU is staffed with adequate professional, fiduciary, administrative and technical personnel, all with qualifications, experience and terms of employment acceptable to the Bank, as set forth in the Project Operational Manual.

2. The Borrower, through ME, shall operate and maintain, throughout Project implementation, the DGAA within ME, with structure and responsibilities acceptable to the Bank, as set forth in the Project Operational Manual, including inter alia, the responsibility to implement Part 1.1 of the Project and coordinate with MEFP for the execution of said Part of the Project.

3. The Borrower, through MDPEP, shall operate and maintain, throughout Project implementation, DGAA within MDPEP, with structure and responsibilities acceptable to the Bank, as set forth in the Project Operational Manual, including, inter alia, the responsibility to implement Part 1.2(b) of the Project and coordinate with MEFP for the execution of said Part of the Project.

4. The Borrower, through MEFP, shall cause GESTORA to maintain, throughout Project implementation, a structure, with functions and responsibilities acceptable to the Bank, as set forth in the Project Operational Manual, including inter alia, the responsibility to provide support to ME, MPEPD and MEFP, as applicable, for the implementation of the Project.

5. Without limitation to the provisions of Section 3.01 of this Agreement, and for purposes of carrying out the Project, the Borrower, through MEFP, shall cause GESTORA to provide the support referred to in said Section through the establishment of arrangements acceptable to the Bank, including the obligation of GESTORA to: (a) comply with the Anti-Corruption Guidelines; and (b) issue a notice to each financial institution providing the Cash Transfers (the ACG Notice) in a manner and under terms acceptable to the Bank.
6. The Borrower, through MEFP, ME and MDPEP, shall, and shall cause GESTORA to, ensure that the collection, use and processing (including transfers to third parties) of any Personal Data collected under this Project shall be done in accordance with the best international practice, ensuring legitimate, appropriate, and proportionate treatment of such data.

B. Project Operational Manual.

1. The Borrower shall carry out and shall cause the Project to be carried out in accordance with the provisions of a manual (the Project Operational Manual), which shall include, inter alia: (a) the criteria for identification, registration and selection of Eligible Beneficiaries; (b) the description of the mechanism for the provision of Cash Transfers; (c) the detailed procedures for coordination and collaboration among the relevant Borrower’s institutions, and other stakeholders in the carrying out of the Project; (d) auditing arrangements; (e) the Project performance indicators; and (f) the disbursement and procurement procedures for the Project.

2. Except as the Borrower and the Bank may otherwise agree in writing, the Borrower shall not, abrogate, amend, suspend, waive, or otherwise fail to enforce the Project Operational Manual or any provision thereof.

3. In case of any conflict between the terms of this Agreement and the Project Operational Manual, the provisions of this Agreement will prevail.

C. Environmental and Social Standards.

1. The Borrower, through MEFP, 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 MEFP, 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 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, through MEFP, 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, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Borrower, through MEFP, 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

The Borrower, through MEFP, shall furnish to the Bank each Project Report not later than one month 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 Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Borrower 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 the Front-end Fee; 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 USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Cash Transfers</td>
<td>199,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>500,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>200,000,000</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, except that withdrawals up to an aggregate amount not to exceed $80,000,000 may be made for payments made prior to this date but on or after April 2, 2020 (but in no case more than one year prior to the Signature Date), for Eligible Expenditures.

2. The Closing Date is April 30, 2021.
SCHEDULE 3

Customized Amortization Repayment Schedule

The Borrower shall repay the principal amount of the Loan as follows:

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 1, 2034</td>
<td>5.32%</td>
</tr>
<tr>
<td>May 1, 2035</td>
<td>0%</td>
</tr>
<tr>
<td>November 1, 2035</td>
<td>0%</td>
</tr>
<tr>
<td>May 1, 2036</td>
<td>6.20%</td>
</tr>
<tr>
<td>November 1, 2036</td>
<td>6.20%</td>
</tr>
<tr>
<td>May 1, 2037</td>
<td>0%</td>
</tr>
<tr>
<td>November 1, 2037</td>
<td>6.20%</td>
</tr>
<tr>
<td>May 1, 2038</td>
<td>6.20%</td>
</tr>
<tr>
<td>November 1, 2038</td>
<td>6.28%</td>
</tr>
<tr>
<td>May 1, 2039</td>
<td>6.60%</td>
</tr>
<tr>
<td>November 1, 2039</td>
<td>0%</td>
</tr>
<tr>
<td>May 1, 2040</td>
<td>8.00%</td>
</tr>
<tr>
<td>November 1, 2040</td>
<td>8.00%</td>
</tr>
<tr>
<td>May 1, 2041</td>
<td>0%</td>
</tr>
<tr>
<td>November 1, 2041</td>
<td>8.00%</td>
</tr>
<tr>
<td>May 1, 2042</td>
<td>8.04%</td>
</tr>
<tr>
<td>November 1, 2042</td>
<td>0%</td>
</tr>
<tr>
<td>May 1, 2043</td>
<td>8.16%</td>
</tr>
<tr>
<td>November 1, 2043</td>
<td>8.16%</td>
</tr>
<tr>
<td>May 1, 2044</td>
<td>8.64%</td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

1. “ACG Notice” means the notice issued by GESTORA referred to in section I.A.5 of Schedule 2 to this Agreement.

2. “AGETIC” means Agencia de Gobierno Electrónico y Tecnologías de Información y Comunicación, the Borrower’s Agency of Electronic Governance and Information Technology and Communication, created by the Supreme Decree No. 2514 dated September 9, 2015.

3. “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.

4. “BCF I Cash Transfer” means a grant, in an amount set forth in the Project Operational Manual, made out of the proceeds of the Loan under Category (1) to an Eligible Beneficiary of the BCF Cash Transfer Program in accordance with the criteria and procedures set forth in the Project Operational Manual (including, inter alia, the following eligibility criteria: vulnerable households with pregnant women, children below 2 years old, and disabled).

5. “BCF II Cash Transfer” means a grant, in an amount set forth in the Project Operational Manual, made out of the proceeds of the Loan under Category (1) to an Eligible Beneficiary of the BCF Cash Transfer Program, in accordance with the criteria and procedures set forth in the Project Operational Manual (including, inter alia, the following eligibility criteria: vulnerable households with elderly of 60 years old and above).

6. “BCF Cash Transfer Program” means the Borrower’s temporary cash transfer program created by the Borrower’s Supreme Decree No. 4200 dated March 25, 2020, as amended by Supreme Decrees No. 4210 dated April 8, 2020, No. 4222 dated April 20, 2020 and No. 4223 dated April 20, 2020, and regulated by the joint Resolution from MEFP and MDPEP No. 001/2020 dated March 31, 2020, as the same may be amended from time to time.

7. “BF Cash Transfer” means a grant, in an amount set forth in the Project Operational Manual, made out of the proceeds of the Loan under Category (1) to an Eligible Beneficiary of the BF Cash Transfer Program, in accordance with the criteria and procedures set forth in the Project Operational Manual.

8. “BF Cash Transfer Program” means the Borrower’s temporary cash transfer program created by the Borrower’s Supreme Decree No. 4197 dated March 18, 2020, as amended by Supreme Decrees No. 4199, dated March 21, 2020, No. 4205 dated April 1, 2020, No. 4210 dated April 8, 2020, No. 4215 dated April 14, 2020 and No. 4222 dated April 20, 2020, as the same may be amended from time to time.

9. “BU Cash Transfer” means a grant, in an amount set forth in the Project Operational Manual, made out of the proceeds of the Loan under Category (1) to an Eligible Beneficiary
of the BU Cash Transfer Program, in accordance with the criteria and procedures set forth in the Project Operational Manual.

10. "BU Cash Transfer Program" means the Borrower's temporary cash transfer program created by the Borrower's Supreme Decree No. 4215 dated April 14, 2020 as amended by Supreme Decree No. 4222 dated April 20, 2020 and No. 4223 dated April 20, 2020, as the same may be amended from time to time.

11. "Cash Transfers" means the BF Cash Transfers, the BCF I Cash Transfers, BCF II Cash Transfers and/or BU Cash Transfers.

12. "Cash Transfer Programs" means the BF Cash Transfer Program, the BCF Cash Transfer Program and the BU Cash Transfer Program.

13. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.


15. "DGAA" means Dirección General de Asuntos Administrativos, the General Directorate of Administrative Matters of either MEFP or MDPEP, as applicable, or any of their successors thereto, acceptable to the Bank.

16. "Eligible Beneficiary" means any individual who meets the eligibility to benefit from a BF Cash Transfer, BCF I Cash Transfer, BCF II Cash Transfer or BU Cash Transfer and who has been selected in accordance with the criteria set forth in the Project Operational Manual.

17. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated April 29, 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, through MEFP, 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.

18. "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

19. “Financing Agreement” means the agreement between the Borrower and the Bank for the Project, of the same date as this Agreement, as such agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.


22. “ME” means the Borrower’s Ministry of Education, or any of its successor or successors thereto, acceptable to the Bank.

23. “MEFP” means the Borrower’s Ministry of Economy and Public Finance, or any of its successor or successors thereto, acceptable to the Bank.

24. “MDPEP” means the Borrower’s Ministry of Productive Development and Plural Economy, or any of its successor or successors thereto, acceptable to the Bank.

25. “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.


27. “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.