

OFFICIAL DOCUMENTS

CREDIT NUMBER 5786-PK

Financing Agreement

(National Immunization Support Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 31, 2016

FINANCING AGREEMENT

AGREEMENT dated August 31, 2016, entered into between ISLAMIC REPUBLIC OF PAKISTAN (variously the "Recipient" or "Pakistan") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS the Recipient has requested the INTERNATIONAL BANK OF RECONSTRUCTION AND DEVELOPMENT and the INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrators of the National Immunization Support Project Multi-Donor Trust Fund (the "World Bank") to provide assistance toward the financing of activities described in Schedule 1 to this Agreement (the "Project"), and, by an agreement of even date herewith between the Recipient and the World Bank (the "MDTF Grant Agreement"), the World Bank has agreed to provide such assistance on the terms and conditions provided, or referred to, therein, in an amount of thirty nine million six hundred eighty thousand United States dollars (USD 39,680,000) (the "MDTF Grant").

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) constitute an integral 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 — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to thirty six million one hundred thousand Special Drawing Rights (SDR 36,100,000) (variously, "Credit" and "Financing"), to assist in financing the Project.
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 and Schedule 3 to this Agreement.

- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent ($1/2$ of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent ($3/4$ of 1%) per annum.
- 2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.
- 2.06. The Payment Dates are April 1 and October 1 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 4 to this Agreement.
- 2.08. The Payment Currency is Dollar.
- 2.09. Notwithstanding the provisions of Section 2.03, 2.04, 2.05 and 2.07 above, the Association shall:
 - (a) as administrator of the BMGF Trust Fund and on behalf of the Recipient, pay the Commitment Charge, the Service Charge and the Interest Charge, as they fall due under this Agreement, up to the earlier of: (i) the Partial Buy-Down Deadline Date; and (ii) the Partial Buy-Down Completion Date;
 - (b) upon the execution of Partial Assignment and Release Agreement substantially in the form set forth in Schedule 5 to this Agreement, the closure of the Credit Account, and the achievement/fulfillment of one or more DLRs, and pursuant to the terms of such Partial Assignment and Release Agreement: (i) acting on its own behalf, assign its rights, title and interest in the Partial Buy-Down Debt to the Association as administrator of the BMGF Trust Fund upon receipt of the Charges Subsidy Amount and the Partial Repayment Amount; and (ii) acting as administrator of the BMGF Trust Fund, release and discharge the Recipient from its payment obligations in relation to the Partial Buy-Down Debt and cancel such indebtedness;
 - (c) following the Partial Buy-Down Completion Date, acting on its own behalf, waive its right, title and interest to the payment of any Service Charge and Interest Charge by the Recipient under this Agreement, with respect to any amount of the Credit remaining outstanding after the Partial

Buy-Down; *provided always* that the Association, acting on its own behalf, shall be entitled to payment of Service Charge and Interest Charge in respect of any principal amount of the Credit remaining outstanding after the Partial Buy-Down that is not repaid on its due date as provided by the terms of this Agreement;

- (d) acting on its own behalf, notify the Recipient of the revised repayment schedule for the principal amount of the Credit remaining outstanding after the Partial Buy-Down; and
- (e) acting on its own behalf, be entitled to retain the full amount of any Charges Subsidy Amount that it receives in respect of any portion of the Credit that is subsequently prepaid by the Recipient in accordance with the terms of this Agreement.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (i) carry out its Respective Parts of the Project through MONHSRC in accordance with the provisions of Article IV of the General Conditions; and (ii) cause the Project Implementing Entities to carry out their Respective Parts of the Project in accordance with the provisions of Article IV of the General Conditions and their respective Project Agreements.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely that, the MDTF Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.03. For purposes of Section 8.05 (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 date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Secretary, Additional Secretary, Senior Joint Secretary, Joint Secretary, Deputy Secretary, or Section Officer of the Economic Affairs Division of the Recipient's Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization.

5.02. The Recipient's Address is:

The Secretary to the Government of Pakistan
Economic Affairs Division
Ministry of Finance, Revenue, Economic Affairs,
Statistics and Privatization
Islamabad
Pakistan

Facsimile:

92 (51) 9202417

5.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Islamabad, Islamic Republic of Pakistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF PAKISTAN

By



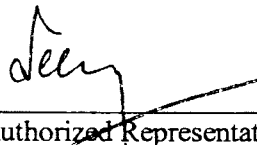
Authorized Representative

Name: Tarig Bajwa

Title: Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Patchamuthu Illangovan

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to increase the equitable coverage of services for immunization against VPD, including poliomyelitis, for children between 0 and 23 months in Pakistan.

The Project consists of the following parts:

Component 1: Strengthening Management, Governance and Stewardship Functions

Addressing the fundamental systemic weaknesses that underlie the poor performance and accountability of the EPI in Pakistan, through:

1. *Robust Monitoring and Evaluation Mechanism:* Strengthening provincial and District-level EPI management systems for: (i) the collation and analysis of EPI performance data; and (ii) the introduction and utilization of latest technological approaches for data collection.
2. *Surveillance Systems:* Providing logistical and technical support to strengthen the surveillance capacity of the EPI Cells of Project Provinces for the establishment of a well-functioning and sustainable EPI and VPD reporting system, encompassing surveillance, on-line reporting and response.
3. *Vaccine Logistics Management Information System ("vLMIS"):* Maintenance and expansion of the vLMIS in Project Provinces.
4. *Oversight, Coordination and Stewardship Functions:* Strengthening the institutional capacity of the Federal EPI Cell for: (i) supporting and coordinating the effective functioning the national Interagency Coordination Committee ("ICC") for policy review, planning and overall monitoring and reporting on the implementation of the Project; (ii) the determination and setting of national immunization standards, (iii) the monitoring of the national EPI's performance and the EPI Cells of Project Provinces; (iv) the carrying out advocacy activities on immunization; (v) the coordination of interprovincial cooperation, as well as the cooperation with civil society organizations and/or development partners; (vi) the consolidation of national immunization plans; (vii) the carrying out of analysis, synthesis and research activities utilizing EPI's surveillance data; (viii) the provision of training, technical support and legal advice to the respective EPI Cells of Project Provinces for the implementation of their responsibilities under the national EPI; and (ix) the carrying out of national level EPI coverage surveys.

Component 2: Improving Service Delivery Performance

Increasing equitable access to EPI services at the UC-level through improved planning, management of human resources and supply chain at the point of service delivery, through:

1. *Enhanced Planning for Performance:* Converting EPI tour plans into computerized micro plans for immunization coordinated with LHWs and vaccinators, including: (i) developing an on-line data base to enable remote data entry by UCs; (ii) providing of training and technical support to DSV and vaccinators on database use and administration; and (iii) developing integrated work plans for provincial and District EPI-related staff.
2. *Availability and Management of Skilled Human Resources:* Ensuring qualifications, skills and adequate allocation of human resources in technical and managerial functions as required to carry out the EPI, including the development of training standards, manuals and guidelines, as well as the provision of training to vaccinators, LHWs and EPI-related staff.
3. *Effective Supervisory Systems for EPI:* Establishing an automated immunization management information system, including the carrying out of lot quality assurance surveys at UC level and the preparation of on-line monthly monitoring reports by EPI Cells.
4. *Enhanced Linkage to Communities:* Creating synergies between public and private sectors at local level for enhanced EPI coverage, through the development of sustainable financing models for the engagement of civil society organizations in service delivery, supervision and reporting, training, research and communication activities for behavioral change in relation to the EPI activities.

Component 3: Demand Generation

Exploring and expanding innovative strategies to empower communities to access immunization services and promote positive behavior for acceptance and seeking of immunization services, through:

1. *Social Mobilization and Community Awareness:* Carrying out EPI awareness campaigns involving support to/by civil society organizations, including community education through public broadcastings, as well as the use electronic and print media.
2. *Advocacy:* Designing, coordinating and carrying out a social sensitizing and mobilization plan for local leaders, as well as parents, to inform them on the benefits of routine immunization, and encourage the leadership's involvement in supporting the EPI.

3. *School Curriculum:* Developing EPI modules for inclusion in the secondary school curricula to increase awareness of importance and benefits of immunization in child health outcomes.

Component 4: Vaccine Supply Chain

Strengthening the capacity and performance of the national and provincial vaccine supply chain through the procurement of cold rooms and ice lined refrigerators for the improvement of cold chain capabilities to ensure proper immunization services.

Component 5: Improving Capacity for Increased Immunization Coverage

Strengthening the institutional capacity of EPI Cells to carry out the Project and undertake analytical research/studies, through:

1. *Capacity of Federal and Provincial EPI Cells:* Strengthening the capacity of the Federal EPI Cell and the EPI Cells of Project Provinces to: (i) implement the Project, including the carrying out of financial management and procurement, environmental and social management, and monitoring and evaluation activities; and (ii) coordinate/support the regular and effective functioning of the Interagency Coordination Committee in its interaction with the Federal EPI Cell for the overall supervision and reporting on the Project, including facilitation of regular reviews of provincial programs, consolidation of national data and compliance with international reporting requirements.
2. *Research and Evaluation:* Carrying out analytical work and research to provide evidence for EPI-related policy decisions, including: operational research for improved immunization coverage, the piloting of conditional cash transfers schemes to incentivize the demand of immunization services and the implementation of EPI surveys.
3. *DLI Certification:* Carrying out surveys, studies, third party assessments and/or gathering and processing information on EPI performance, and the achievements of DLIs/DLRs.
4. *Coordination of Technical Assistance by Civil Society and International Agencies:* Engaging civil society organizations, WHO and/or UNICEF in the implementation of EPI strategy for improving access to immunization services in urban slum areas.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. On-lending Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entities in accordance with the provision of this Agreement and the Recipient's on-lending policies and budgetary procedures, and under the same terms and conditions as shall have been received from the Association.
2. Notwithstanding paragraph 1 above, in the event that any of the provision of this Agreement, including the instructions that the Association shall have specified by notice to the Recipient pursuant to Section IV.A.I of this Schedule, are inconsistent with the budgetary procedures of the Recipient, the provision of this Agreement shall govern.
3. The Recipient shall exercise its rights under the on-lending arrangements referred to in the preceding paragraphs in such manner as to protect the interests of the Association and to accomplish the purposes of the Financing.

B. Institutional Arrangements.

1. The Recipient shall vest the overall responsibility for the implementation of its Respective Parts of the Project in the MONHSRC. To this end, the Recipient shall:
 - (a) maintain throughout the period of implementation of the Project, a Federal Steering Committee, headed by the Minister of MONHSRC and with the participation of the Secretary and the Director General (Health) of MONHSRC, a representative from EAD, the EPI provincial program managers and representatives of UNICEF, WHO, and civil society, in order to periodically review annual work plans and physical and financial progress of the Project, identify problems and corrective measures, provide policy guidance, and coordinate inter-ministerial and/or inter-jurisdictional efforts in the implementation of Project activities. The Federal Steering Committee shall meet at least twice every Fiscal Year;
 - (b) maintain throughout the period of implementation of the Project, the Federal EPI Cell within MONHSRC in order to serve as Project management unit, which unit shall be provided with competent, experienced and qualified staff, in sufficient numbers and under terms of reference acceptable to the Association, and vested with powers, financial

resources, functions and competences, acceptable to the Association, to serve as the focal unit in the carrying out of the day-to-day implementation of the Recipient's Respective Parts of the Project, including coordination, monitoring and evaluation of activities carried out by the Project Provinces, as well compliance with fiduciary (procurement and financial management) and social and environmental requirements under the Project; and

- (c) notwithstanding the provision of paragraph (b) above, recruit/select and hire, by no later than three (3) months after the Effective Date, the services of a financial reporting specialist with competencies, experience and qualifications acceptable to the Association, under terms of reference acceptable to the Association, in order assist the Federal EPI Cell with the preparation of national level program reports and the annual Financial Statements, throughout the period of Project implementation.
2. Throughout the period of implementation of the Project, the Recipient shall convene (at least twice in a year) and carry out meetings of the ICC, chaired by the Minister of MONHSRC and comprised of the managers of the EPI Cells of the Project Provinces and representatives of the Donors and the Association, in order to review the implementation of the EPI activities at federal and provincial levels, coordinate field visits and assess the achievement of the DLIs/DLRs. The first such bi-annual meeting shall be scheduled by the MONHSRC by not later than three (3) months after the Effective Date.

C. Project Documents

1. The Recipient shall:
- (a) implement its Respective Parts of the Project in accordance with the Procurement Manual; provided however that in the event of conflict between the provisions of said manual, on the one hand, and those of this Agreement, on the other hand, the provisions of the latter shall govern; and
 - (b) refrain from amending, suspending, waiving, and/or voiding any provision of the Procurement Manual, whether in whole or in part, without the prior written agreement of the Association.
2. The Recipient, in coordination with the Project Provinces, shall:
- (a) by no later than one year after the Effective Date, prepare and adopt a national level policy framework for the financing of immunization services, setting forth immunization targets and annual resources requirements by Project Provinces and MONHSRC, in a manner and substance acceptable to the Association; and

- (b) thereafter, throughout the period of Project implementation, determine the government's (MONHSRC) annual budgetary allocations for EPI services on the basis of said approved policy framework.
- 3. The Recipient shall:
 - (a) by no later than three (3) months after the Effective Date, prepare and adopt, and cause the Project Provinces to adopt, an implementation plan for strengthening the financial management capacity of MONHSRC, its Federal EPI Cell, and the DoHs and EPI Cells of the Participating Provinces, in form and substance satisfactory to the Association; and
 - (b) thereafter implement, and cause the Project Provinces to implement, such plan in conformity with an agreed timetable, in a manner acceptable to the Association.
- 4. The Recipient shall:
 - (a) undertake, and/or cause the Project Provinces to undertake, verification processes, in accordance with the terms or reference agreed with the Association, in order to certify the fulfillment of the Disbursement-Linked Results set out in Schedule 3 to this Agreement; and
 - (b) furnish to the Association the corresponding verification reports, in form and substance agreed with the Association.
- 5. The Recipient undertakes that all human resources positions created on the development side of the Recipient's budget as per the Federal PC-I will be shifted to the recurrent side of the Recipient's budget by June 30, 2019.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Cold Chain

For purposes of carrying out Component 4 of the Project, the Recipient shall, by no later than September 30, 2016, enter into purchase agreements with UNICEF for the provision of cold rooms, ice lined refrigerators and related equipment for the storage and transport of vaccines, under terms and conditions acceptable to the Association.

F. Safeguards.

1. The Recipient shall, and shall cause the Project Provinces to:
 - (a) carry out the Project in accordance with the ESMP, in a manner and in substance satisfactory to the Association; and
 - (b) refrain from taking any action which would prevent or interfere with the implementation of the ESMP, including any amendment, suspension, waiver, and/or avoidance of any provision of the ESMP, whether in whole or in part, without the prior written concurrence of the Association.
2. In the event of any conflict between the provisions of any of the ESMP, on the one hand, and the provisions of this Agreement, on the other hand, the provisions of this Agreement shall prevail.

G. Donors Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the Association may reasonably request to identify publicly the Donors' support for the Project.
2. For the purposes of Section 4.11 of the General Conditions, the Recipient shall, upon the Association's request, take all measures required on its part, to the best of its efforts, in order to enable the representatives of the Donors to visit any part of the Recipient's territory where Project activities are/have been carried out.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than forty five (45) days after the end of each calendar semester, interim unaudited financial

reports for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Attachment to this Schedule; (b) Shopping; (c) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (d) Direct Contracting; (e) Procurement from UNICEF; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the

Association; and (g) Community Participation procedures which have been found acceptable to the Association.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (i) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Procurement Transparency and Complaints Redressal Mechanism

The Recipient shall ensure that MONHSRC establishes by not later than three (3) months after the Effective Date, and thereafter maintains throughout the period of implementation of its Respective Parts of the Project:

- (a) a procurement documentation and record keeping system, including a publicly accessible website, in a format agreed with the Association, showing, inter alia, the Project procurement plans, complete bidding documents, the status of procurement of various contracts (the summary of proposals/bid evaluations and awards), contract performance and payment delays, and a list of procurement complaints and status thereof; and
- (b) a system for the handling of procurement complaints, in a manner and substance acceptable to the Association, which system shall include, inter alia, the maintenance of a complaint database, a standard protocol setting

forth triggers for carrying out investigations, and a sanctions regime. Notwithstanding the foregoing, for any procurement done through International Competitive Bidding, the Association's prescribed complaint redress mechanism shall apply.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Amount of the MDTF Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes w/exceptions)
(1) Eligible Expenditures Program for Component 1, 2 and 3 of the Project	25,260,000	13,720,000	100%
(2) Goods, non-consulting services, consultants' services, Incremental Operating Costs, Training and Workshops	10,840,000	25,960,000	100% exclusive of taxes customs, duties tolls or other charges on importation of vaccines and related supplies

Category	Amount of the Financing Allocated (expressed in SDR)	Amount of the MDTF Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes w/exceptions)
TOTAL AMOUNT	36,100,000	39,680,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to the following aggregate amounts not to exceed (i) SDR 7,200,000 from the Financing; and (ii) USD 7,936,000 from the MDTF Grant, may be made for payments made prior to this date but on or after January 1, 2016, for the Credit and March 3, 2016, for the MDTF Grant for Eligible Expenditures under Category (2); or
 - (b) under Category (1), with the exception of the withdrawal application authorized under Part B.3 of this Section, unless and until the Recipient has:
 - (i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the Association of the applicable IFR detailing the expenditures incurred under the EEP up to the date of the applicable withdrawal application; and
 - (ii) furnished evidence, satisfactory to the Association of each DLR for the respective Fiscal Year, and for which payment is requested as set forth in: (i) Schedule 3 to this Agreement; and/or (ii) the Schedule to the MDTF Grant Agreement.
2. If the Association determines in its sole discretion that one or more of the DLRs set forth in Schedule 3 to this Agreement and/or the Schedule to the MDTF Grant Agreement has/have not been achieved, or were no longer achievable, by the end of the respective Fiscal Year and/or the Closing Date, then, the Association shall withhold the allotted Price for the unmet DLR(s) and, at its sole discretion, may:

- (a) authorize partial releases of the amounts so withheld/to be withheld, if and when the Association is satisfied that: (i) the non-fulfillment of the respective DLR(s) is due to an event of force majeure; and/or (ii) the Recipient and/or the respective Project Province(s) have/has made reasonable efforts, in the sole opinion of the Association, to remedy the situation in order to achieve said DLR(s);
 - (b) authorize, at a later date, the full release of the amounts so withheld, if and when the Association is satisfied that the respective DLR(s) has/have been achieved; and/or
 - (c) at any time, by notice to the Recipient, cancel the amount(s) so withheld/to be withheld, and/or reallocate it/them, whether in full or in part, to any other Category and/or DLR(s).
- 3.
 - (a) Notwithstanding the provisions of Part B.1 and B.2 of this Section, the Recipient may make one withdrawal under Category (1), on account of DLR(s) not yet met, for an amount not to exceed the lesser of: (i) the EEPs incurred up to the date of such withdrawal application and/or a six (6) month forecast of the EEP to be incurred thereafter; and (ii) SDR3,100,000 from the Credit and/or USD5,700,000 from the MDTF Grant (the "DLR(s) Advance"). The withdrawn amount shall be offset against any subsequent amounts eligible for withdrawal as per the agreed Price(s) of the DLR(s) met following such DLR(s) Advance.
 - (b) Any further withdrawals as requested as a DLR(s) Advance under Category (1) shall be at the discretion of the Association and permitted only on such terms and conditions as the Association shall specify by written notice to the Recipient
 - (c) In the event that, in the opinion of the Association, the Recipient has not succeeded in: (i) documenting by the Closing Date, the subsequent achievement of sufficient DLR(s) with aggregate Prices equal to, or greater than, the DLR(s) Advance(s); and (ii) documenting, by the end of any grace period granted by the Association, sufficient Eligible Expenditures incurred under the EEP; then the Recipient shall refund such advance(s) (or portion of such advance(s) as determined by the Association) to the Association promptly upon notice thereof by the Association. Except as otherwise agreed in writing with the Recipient, the Association shall cancel the amount so refunded.
- 4. The Closing Date is December 31, 2021

ATTACHMENT TO SCHEDULE 2

Improvement of Bidding Procedures under National Competitive Bidding

The procedures applicable to the procurement of goods and non-consultant's services under contracts awarded on the basis of National Competitive Bidding shall be those set out in Rules 5 and 20 through 36(a) of the Federal Public Procurement Rules (2004) (S.R.O. 432(I)/2004), with the following additional requirements set forth below in order to ensure economy, efficiency, transparency and broad consistency with the provisions of Section I of the Procurement Guidelines, pursuant to paragraph 3.3 of said Procurement Guidelines. In the event of a conflict between the Recipient's procedures and the additional provisions set out below, the latter shall govern:

- (i) Invitation to bid shall be advertised in at least one national newspaper with wide circulation, at least 30 days prior to the deadline for the submission of bids; unless a shorter period is agreed in the procurement plan;
- (ii) bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;
- (iii) foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process;
- (iv) bidding shall not be restricted to pre-registered firms;
- (v) qualification criteria shall be stated in the bidding documents;
- (vi) bids shall be opened in public, immediately after the deadline for submission of bids;
- (vii) bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Association;
- (viii) before rejecting all bids and soliciting new bids, the Association's prior concurrence shall be obtained;
- (ix) bids shall be solicited and works contracts shall be awarded on the basis of unit prices and not on the basis of a composite schedule of rates;
- (x) contracts shall not be awarded on the basis of nationally negotiated rates;
- (xi) a single bid shall also be considered for award;
- (xii) contracts shall be awarded to the lowest evaluated and qualified bidder;

- (xiii) post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidders;
- (xiv) draft NCB contract would be reviewed by the Association in accordance with prior review procedures;
- (xv) any firm declared ineligible by the Association, based on a determination by the Association that the firm has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for or in executing an Association-financed contract, shall be ineligible to be awarded an Association-financed contract during the period of time determined by the Association; and
- (xvi) each contract financed from the proceeds of the Credit shall provide that the suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by the Association. The deliberate and material violation by the supplier, contractor or subcontractor of such provision may amount to obstructive practice.

SCHEDULE 3

Disbursement-Linked Indicators, Disbursement-Linked Results and Respective Prices

DISBURSEMENT-LINKED RESULTS									
RESULTS TO BE ACHIEVED IN YEAR 1		RESULTS TO BE ACHIEVED IN YEAR 2		RESULTS TO BE ACHIEVED IN YEAR 3		RESULTS TO BE ACHIEVED IN YEAR 4		RESULTS TO BE ACHIEVED IN YEAR 5	
TARGET	PRICE	TARGET	PRICE	TARGET	PRICE	TARGET	PRICE	TARGET	PRICE
				BAL:35 %	SDR 173,200			BAL: 50%	SDR 173,200
				KP: 75%	SDR 288,500			KP: 80%	SDR 288,500
				PUN: 75 %	SDR 1,032,000			PUN: 80%	SDR 1,032,000
				SIN: 65 %	SDR 520,000			SIN: 80%	SDR 520,000
		BAL: 40%	SDR 173,200						
		KP: 60%	SDR 288,500						
		PUN: 80%	SDR 1,032,000						
		SIN: 100%	SDR 520,000						
				BAL. 20 %	SDR 173,200			BAL. 35 %	SDR 173,200
				KP: 40 %	SDR 288,500			KP: 60%	SDR 288,500

DISBURSEMENT-LINKED RESULTS									
RESULTS TO BE ACHIEVED IN YEAR 1		RESULTS TO BE ACHIEVED IN YEAR 2		RESULTS TO BE ACHIEVED IN YEAR 3		RESULTS TO BE ACHIEVED IN YEAR 4		RESULTS TO BE ACHIEVED IN YEAR 5	
TARGET	PRICE	TARGET	PRICE	TARGET	PRICE	TARGET	PRICE	TARGET	PRICE
		KP: 80%	SDR 288,500						
		PUN: 80%	SDR 1,032,000						
		SIN: 80%	SDR 520,000						
BAL.: 30%	SDR 267,000								
CP: 50%	SDR 440,300								
PUN: 80%	SDR 1,594,000								
SIN: 80%	SDR 801,000								
						BAL.: 30%	SDR 173,200		
						KP: 55%	SDR 288,500		
						PUN: 50%	SDR 1,032,000		
						SIN: 60%	SDR 520,000		

DISBURSEMENT-LINKED RESULTS

RESULTS TO BE ACHIEVED IN YEAR 1		RESULTS TO BE ACHIEVED IN YEAR 2		RESULTS TO BE ACHIEVED IN YEAR 3		RESULTS TO BE ACHIEVED IN YEAR 4		RESULTS TO BE ACHIEVED IN YEAR 5	
TARGET	PRICE	TARGET	PRICE	TARGET	PRICE	TARGET	PRICE	TARGET	PRICE
		Confirmed for BAL	SDR 173,200	Confirmed for BAL	SDR 173,200				
		Confirmed for KP	SDR 288,500	Confirmed for KP	SDR 288,500				
		Confirmed for PUN	SDR 1,032,000	Confirmed for PUN	SDR 1,032,000				
		Confirmed for SIN	SDR 520,000	Confirmed for SIN	SDR 520,000				

SCHEDULE 4

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1:	
commencing on October 1, 2021 to and including April 1, 2031	1.65%
commencing October 1, 2031 to and including April 1, 2041	3.35%

* 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 3.03 (b) of the General Conditions.

SCHEDULE 5

Form of Partial Assignment and Release Agreement

AGREEMENT, dated _____, between ISLAMIC REPUBLIC OF PAKISTAN (the Recipient) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) acting on its own behalf and as administrator of the BMGF Trust Fund.

WHEREAS: (A) the Recipient has been determined to be eligible for assistance from the BMGF Trust Fund upon successful achievement/fulfilment of [all/certain] Disbursement-Linked Results described in Schedule 4 to the Financing Agreement between the Recipient and the Association dated _____, (the Financing Agreement) for the National Immunization Support Project (the Project). The foregoing assistance will be provided through the transfer of the Partial Buy-Down Debt to the Association as administrator of the BMGF Trust Fund;

(B) the Association has verified the achievement/fulfillment of the above mentioned Disbursement-Linked Results; a condition precedent for the triggering of the Partial Buy-Down; and

(C) upon payment of the Charges Subsidy Amount and the Partial Repayment Amount, the Association is prepared to transfer its claim for payment of the Partial Buy-Down Debt to the Association as administrator of the BMGF Trust Fund, following which the Association, as administrator of the BMGF Trust Fund, shall cancel such claims and release and discharge the Recipient from such debt to the extent of such payment.

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Financing Agreement, in the Preamble to this Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Partial Assignment

Section 2.01. In consideration of the payment of the Charges Subsidy Amount of _____ United States Dollars (US\$ _____) and the Partial Repayment Amount of _____ United States Dollars (US\$ _____), receipt of which is hereby acknowledged, the Association hereby

transfers, assigns and sets over the Partial Buy-Down Debt and all the Association's rights, title and interest therein to the Association as administrator of the BMGF Trust Fund, and its successors and assigns.

Section 2.02. Notwithstanding the transfer and assignment of the Partial Buy-Down Debt to the Association as administrator of the BMGF Trust Fund, the Association acknowledges and agrees that the Association as administrator of the BMGF Trust Fund, does not assume and shall not be responsible for any of the liabilities or obligations of the Association under, or in respect of, the Financing Agreement.

ARTICLE III

Representations and Warranties

Section 3.01. The Association hereby represents and warrants that:

(a) it is the sole beneficial owner of the Partial Buy-Down Debt with good and marketable title thereto free and clear of any liens, mortgages, security interests, charges, encumbrances or rights of others (except for the rights of the Association as administrator of the BMGF Trust Fund under this Agreement) and is exclusively entitled to possess and dispose of the Partial Buy-Down Debt in accordance with this Agreement;

(b) it has all necessary power and authority to enter into, execute and deliver this Agreement and to carry out its obligations hereunder;

(c) the execution and delivery of this Agreement and the consummation of the transactions evidenced and contemplated hereby or hereunder have been duly authorized by all necessary action on its part;

(d) this Agreement constitutes its valid and binding agreement and obligation enforceable and effective in accordance with its terms; and

(e) the performance of its obligations under this Agreement does not and will not conflict with: (i) any applicable law or regulation or any judicial order in effect at the date hereof; (ii) its constitutive documents; or (iii) any agreement or document to which it is a party or which is binding on it.

Section 3.02. For the purpose of this Agreement, the Recipient represents and warrants that:

(a) it is obligated to make payments to the Association with respect to the Partial Buy-Down Debt under the terms of the Financing Agreement;

(b) its liabilities in respect of the Partial Buy-Down Debt are not subject to reduction or diminution in any manner whatsoever including, without limitation, by way of set-off, compensation, counterclaim, defense, damages or otherwise; and

(c) it hereby irrevocably consents to the transfer and assignment of the Partial Buy-Down Debt to the Association, as administrator of the BMGF Trust Fund, pursuant to this Agreement.

ARTICLE IV

Partial Release

Section 4.01. Save as provided in Section 4.02 below, the Association, as administrator of the BMGF Trust Fund, having become the owner under this Agreement of the Partial Buy-Down Debt, hereby irrevocably and unconditionally releases and forever discharges the Recipient from any and all liabilities and payment obligations of whatsoever nature, whether present or future, arising in relation to the Partial Buy-Down Debt, which are hereby irrevocably cancelled.

Section 4.02. Notwithstanding the provisions of Section 4.01 above, the liabilities and payment obligations of the Recipient with respect to any portion of the Credit which is not comprised in the Partial Buy-Down Debt, including without limitation all Service Charge and Interest Charge that may accrue on any portion of the Withdrawn Credit Balance that is not repaid on due date in accordance with the terms of the Financing Agreement, shall not be affected by the execution of this Agreement.

ARTICLE V

Enforceability of Agreement; Failure to Exercise Rights; Arbitration

Section 5.01. The rights and obligations of the Recipient and the Association under this Agreement shall be valid and enforceable in accordance with their terms notwithstanding the law of any State or political subdivision thereof to the contrary. Neither the Recipient nor the Association shall be entitled in any proceeding under this Article to assert any claim that any provision of this Agreement is invalid or unenforceable because of any provision of the Articles of Agreement of the Association.

Section 5.02. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default. No action of such party in respect of any default, or any acquiescence by it in any default, shall affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 5.03. (a) Any controversy between the parties to this Agreement, and any claim by either such party against the other party arising under this Agreement which has not been settled by agreement of the parties shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

(b) The parties to such arbitration shall be the Association and the Recipient.

(c) The Arbitral Tribunal shall consist of three (3) arbitrators appointed as follows: one arbitrator shall be appointed by the Association, a second arbitrator shall be appointed by the Recipient, and the third arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice or, failing appointment by said President, by the Secretary-General of the United Nations. If either of the parties shall fail to appoint an arbitrator, such arbitrator shall be appointed by the Umpire. In case any arbitrator appointed in accordance with this Section shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as herein prescribed for the appointment of the original arbitrator, and such successor shall have all the powers and duties of such original arbitrator.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought, and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty (30) days after such notice, the other party shall notify to the party instituting such proceeding the name of the arbitrator appointed by such other party.

(e) If within sixty (60) days after the notice instituting the arbitration proceeding, the parties shall not have agreed upon an Umpire, either party may request the appointment of an Umpire as provided in paragraph (c) of this Section.

(f) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(g) The Arbitral Tribunal shall decide all questions relating to its competence and shall, subject to the provisions of this Section and except as the parties shall otherwise agree, determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(h) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties

to this Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(i) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the Arbitral Tribunal shall convene, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall each defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by the parties. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.

(j) The provisions of arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to this Agreement or of any claim by either party against the other party arising hereunder.

(k) The Association shall not be entitled to enter judgment against the Recipient upon the award, to enforce the award against the Recipient by execution or to pursue any other remedy against the Recipient for the enforcement of the award, except as such procedure may be available against the Recipient otherwise than by reason of the provisions of this Section. If, within thirty (30) days after counterparts of the award shall have been delivered to the parties, the award shall not be complied with by the Association, the Recipient may take any such action for the enforcement of the award against the Association.

(l) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section shall be made in the manner provided in Section 6.01 of this Agreement. The parties to this Agreement waive any and all other requirements for the service of any such notice or process.

ARTICLE VI

Miscellaneous

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail or facsimile to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Recipient:

The Secretary to the Government of Pakistan
Economic Affairs Division
Islamabad, Pakistan

Facsimile:

92-51-9202417

For the Association:

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

Facsimile:

1 (202) 477-6391

Section 6.02. This Agreement may be executed in several counterparts, each of which shall be an original.

Section 6.03. This Agreement shall become effective upon its execution by the parties.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in [_____, _____], as of the day and year first above written.

ISLAMIC REPUBLIC OF PAKISTAN

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting on its own behalf and as administrator of the BMGF
Trust Fund)

By

Authorized Representative

APPENDIX

Section I. Definitions

1. “AEFT” means adverse events following immunization.
2. “Anti-Corruption Guidelines” means 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.
3. “Balochistan” and the acronym “BAL” mean the Recipient’s Province of Balochistan.
4. “BMGF Trust Fund” means the trust fund for the Global Program to Eradicate Poliomyelitis, set up the Bill & Melinda Gates Foundation and administered by the Association by TF050775, as amended on November 20/23, 2015 for the purpose of providing debt relief support to the Recipient by reducing the cost of the Credit provided by the Association for the financing of the Project, subject to the Recipient’s successful implementation of the Project.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Charges Subsidy Amount” means an amount (as reasonably determined by the Association using prevailing exchange and interest rates) to be paid to the Association under Section 2.09(b) of this Agreement, being the Dollar equivalent of the net present value of the Service Charge and the Interest Charge payable by the Recipient to the Association on the Withdrawn Credit Balance, for the Credit’s full maturity under the terms of this Agreement.
7. “Computerized UC Level Micro Plans” means the electronic system instituted at UC level for planning and tracking coverage of routine immunization.
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
9. “District” means an administrative subdivision of a Province.
10. “Disbursement-Linked Indicator” and the acronym “DLI” mean each of the disbursement-linked indicators provided in the first column of the matrix set forth in Schedule 3 to this Agreement.
11. “Disbursement-Linked Result” and the acronym “DLR” mean each of the disbursement-linked targets/results set forth in Schedule 3 to this Agreement in the

columns entitled “Results to be Achieved in Year 1”, “Results to be Achieved in Year 2”, “Results to be Achieved in Year 3”, “Results to be Achieved in Year 4” and/or “Results to be Achieved in Year 5”, as the case may be.

12. “DLR(s) Advance” means the one time advance authorized pursuant to paragraph 3 of Section IV.B of Schedule 2 to this Agreement, on account of DLR(s) yet to be met, which advance shall be eventually offset against DLR(s) subsequently met or else returned to the Association pursuant to the proviso of sub-paragraph (b) of the above referred paragraph, Section and Schedule.
13. “DoF” means the Department of Finance of the respective Project Province as the case may be, or any successor thereto.
14. “DoH” means each of the Departments of Health of the Project Provinces, as the case may be, or any successor thereto.
15. “Donors” means collectively all the development partners that have contributed funds to the National Immunization Support Project Multi-Donor Trust Fund (TF072493) and/or the BMGF Trust Fund at any time during the lifespan of those trust funds, as communicated to the Recipient and/or the Project Provinces by the Association.
16. “DoP” means the Department of Planning of the respective Project Province as the case may be, or any successor thereto.
17. “DSV” means the District Superintendent Vaccination of the respective Districts of the Project Provinces.
18. “EAD” means the Economic Affairs Division of the Recipient’s Ministry of Finance.
19. “Eligible Expenditures Program” and the acronym “EEP” mean the salaries of civil servants and employees of the DoHs of Project Provinces, identified under object code & description: “A01: *Employee Related Expenses*”, Function Code and description “07: *Health*” in the financial management information system of the Recipient and the Project Provinces, and/or any other expenditures that the Recipient might incur under the Project, subject to the prior concurrence of the Association for their incorporation under the EEP.
20. “Environmental and Social Management Plan” and the acronym “ESMP” mean the Recipient’s environmental and social plan prepared and adopted in March 2015, and disclosed in the Association’s Infoshop on March 27, 2015, setting forth setting forth mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (i) eliminate any adverse social and environmental impacts of activities to be implemented under the Project;

- (ii) offset them, or reduce them to acceptable levels; and/or (iii) enhance any positive impacts thereof; as such plans may be revised, updated or supplemented from time to time with the prior written concurrence of the Association .
21. “EPI” means the Recipient’s expanded program on immunization.
22. “EPI Cell” means each of the Project implementation units established at provincial level by the Project Provinces, and referred to in Section I.A.1(b) of the Schedule to the respective Project Agreements, to carry out the day-to-day implementation of activities under their Respective Parts of the Project.
23. “Federal EPI Cell” means the Project implementation unit established by the Recipient, and referred to in Section I.B.1(b) of Schedule 2 to this Agreement, to carry out the day-to-day implementation of activities under its Respective Parts of the Project.
24. “Federal Steering Committee” means the Project steering committee established by MONHSRC at national level and referred to in Section I.B.1(a) of Schedule 2 to this Agreement to provide guidance in implementation of the Project.
25. “Fiscal Year” and the acronym “FY” means the Recipient’s and the Project Provinces’ fiscal year which begins on July 1 of each calendar year and ends on June 30 of the next calendar year.
26. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
27. “IFR” means the interim unaudited financial reports set forth in Section II.B.2 of Schedule 2 to this Agreement and Section II.B.2 of the Schedules to the Project Agreements.
28. “Incremental Operating Costs” means incremental expenditures for salaries of contractual staff (other than consultants); salaries top-ups for the Recipient’s civil servants; per diems; office rental; office supplies; utilities; conveyance; travel and boarding/lodging allowances; operation and maintenance of office equipment and vehicles; advertising expenses and bank charges; insurance; media broadcastings; newspaper subscriptions; periodicals; printing and stationery costs; all in connection with the management, coordination and implementation of Project activities, which expenditures would not have been incurred absent the Project, but excluding salaries of the Recipient’s and Project Provinces’ civil servants.
29. “Interagency Coordination Committee” and the acronym “ICC” mean the Recipient’s National Interagency Coordination Committee established pursuant to MONHSRC’s Notification F. No 9-34/2014-S.O (Admn-I) of April 23, 2014.

30. "Khyber Pakhtunkhwa" and the acronym "KP" mean the Recipient's Province of Khyber Pakhtunkhwa.
31. "LHWs" means lady health workers from the Recipient's Lady Health Workers Program.
32. "MDTF Grant" means the grant in the amount of thirty nine million six hundred and eighty thousand United States dollars (USD39,680,000), as such amount might be increased/supplemented from time to time, extended by the International Development Association and the International Bank of Reconstruction and Development, acting as administrator of the National Immunization Support Project Multi-Donor Trust Fund, pursuant to the MDTF Grant Agreement.
33. "MDTF Grant Agreement" means the grant agreement for the Project between the Recipient, on the one side, and the International Development Association and the International Bank of Reconstruction and Development, acting as administrator of the National Immunization Support Project Multi-Donor Trust Fund, dated the same date as this Agreement, as such grant agreement may be amended from time to time.
34. "MONHSRC" means the Recipient's Ministry of National Health Services, Regulation and Coordination, or any successor thereto.
35. "National Immunization Support Project Multi-Donor Trust Fund" means the Trust Fund TF072493 established by the International Development Association and the International Bank of Reconstruction and Development, acting as administrator of such Trust Fund, for purposes of co-financing the Project through the MDTF Grant, and/or providing support to the implementation, monitoring and evaluation thereof.
36. "Partial Assignment and Release Agreement" means the agreement referred to in Section 2.09 of this Agreement, to be entered into between the Recipient and the Association (on its own behalf and as administrator of the BMGF Trust Fund) upon the successful completion of the Project.
37. "Partial Buy-Down" means the transfer to the Association, as administrator of the BMGF Trust Fund under and in accordance with this Agreement, of the Partial Buy-Down Debt as set out in the Partial Assignment and Release Agreement.
38. "Partial Buy-Down Completion Date" means the date on which the Partial Buy-Down becomes effective as provided in the Partial Assignment and Release Agreement, which date shall be no later than the Partial Buy-Down Deadline Date.

39. "Partial Buy-Down Deadline Date" means the date falling six (6) months after the Closing Date (or such later date as the Association shall establish by notice to the Recipient).
40. "Partial Buy-Down Debt" means an amount (as reasonably determined by the Association) equal to the aggregate of: (i) the Service Charge and the Interest Charge payable by the Recipient to the Association on the Credit for its full maturity under this Agreement; and (ii) a portion of the principal amount of the Credit.
41. "Partial Repayment Amount" means an amount (as reasonably determined by the Association using prevailing exchange and interest rates) to be paid to the Association under Section 2.09(b) being the Dollar equivalent of the net present value of a portion of the principal amount of the Credit as at the Partial Buy-Down Completion Date.
42. "Penta3" means the pentavalent 3 vaccine.
43. "Price" means: (i) the amounts in Special Drawing Rights allocated to each individual DLR in Schedule 3 to this Agreement; and (ii) the amount in United States Dollars allocated to each individual DLR in the Schedule to the MDTF Grant Agreement, as such amounts might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Association, from time to time as the case may be, in accordance with the provisions of Section IV.B.2 of Schedule 2 to this Agreement.
44. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
45. "Procurement Manual" means the Manual prepared by the Recipient in November 2015 and adopted by the Recipient and the Project Provinces for the implementation of the Project setting forth the responsibilities and procedures for processing and reporting procurement activities under the Project in accordance with Section III of Schedule 2 to this Agreement.
46. "Procurement Plan" means the Recipient's procurement plan for the Project, dated January 7, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
47. "Project Implementing Entities" means, collectively, the Project Provinces; and "Project Implementing Entity" means either of them individually considered, as the context may determine.

48. "Project Provinces" means, collectively, the Provinces of Punjab, Sindh, Balochistan and Khyber Pakhtunkhwa.
49. "Province" means each of the Provinces of Balochistan, Khyber Pakhtunkhwa, Punjab and Sindh, individually considered.
50. "Provincial EPI Steering Committee" means each of the Project steering committees established at provincial level by the Project Provinces and referred to in Section I.A.1 (a) of the Schedule to the respective Project Agreements to provide guidance in implementation of their Respective Parts of the Project.
51. "Punjab" and the acronym "PUN" mean the Recipient's Province of Punjab.
52. "Respective Parts of the Project" means, in respect of the Recipient and each of the Project Provinces, the Project activities to be carried out, and that fall under, their respective jurisdictions as per the allocation of powers and responsibilities set forth in the Constitution of the Islamic Republic of Pakistan.
53. "Sindh" and the acronym "SIN" means the Recipient's Province of Sindh.
54. "Training and Workshops" means the training, study tours, conferences and workshops conducted and/or attended by staff from the Federal Steering Committee, the Federal EPI Cell, the EPI Cells and Provincial EPI Steering Committees of Project Provinces and other key civil servants and/or stakeholders, in the territory of the Recipient or, subject to the Associations' prior no objection, overseas, including the purchase and publication of materials, rental of facilities, course fees, and lodging, travel expenses and per diems for trainers and/or trainees.
55. "UC" mean each of the Union Councils within a District of a Project Province, and "UCs" means all such Union Councils.
56. "UNICEF" means the United Nations Children's Fund, a specialized agency of the United Nations.
57. "vLMIS" means the Recipient's vaccine logistics management information system.
58. "VPD" means vaccine preventable diseases.
59. "WHO" means the World Health Organization, a specialized agency of the United Nations.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

“Section 3.02. Service Charge and Interest Charge

- (a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.
 - (b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”
5. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.
6. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b).”
7. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.
8. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).
9. Renumbered paragraph 77 (originally paragraph 76) in the Appendix (“Project Agreement”) is modified to read:

““Project Agreements” means, collectively, the agreements between the Association and the Project Provinces (as defined in the Financing Agreement) relating to the implementation of all or part of the Project, as such agreement may be amended from time to time. The term “Project Agreements” include the General Conditions as applied to said Project Agreements, and all appendices, schedules and agreements supplemental to said Project Agreements. The term ‘Project

Agreement' means either of such agreements individually considered, as the context may determine.