

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5604 - PK

Financing Agreement

(Sindh Irrigated Agriculture Productivity Enhancement Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated

July 9, 2015

FINANCING AGREEMENT

AGREEMENT dated July 9, 2015, entered into between ISLAMIC REPUBLIC OF PAKISTAN ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 one hundred and thirty-two million seven hundred thousand Special Drawing Rights (SDR 132,700,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).
- 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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 1st and October 1st in each year.

- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 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 Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. 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, Joint Secretary, Deputy Secretary or Section Officer of the Economic Affairs Division of the Ministry of Finance, Economic Affairs, Revenue, Statistics and Privatization, each such person acting individually.

5.02. The Recipient's Address is:

Economic Affairs Division
Ministry of Finance, Economic Affairs, Revenue, Statistics and
Privatization
Islamabad
Pakistan

Facsimile:

92-51-921-8976

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.

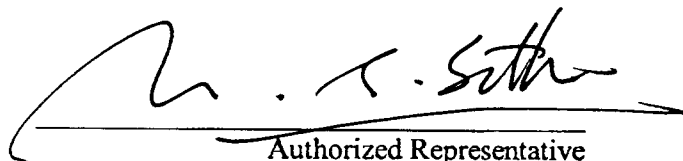
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AGREED at Islamabad, Islamic Republic of Pakistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF PAKISTAN

By



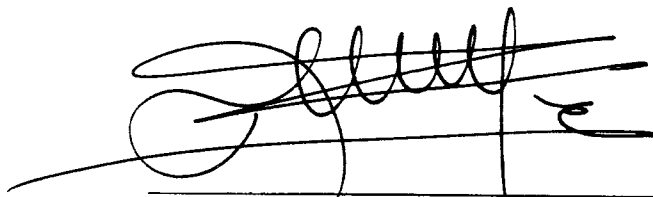
Authorized Representative

Name: **MUHAMMAD SALEEM SETHI**
Secretary

Title: **Economic Affairs Division**
Government of Pakistan
Islamabad

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Rachid Benmessaoud

Title: Country Director, WOR

SCHEDULE 1

Project Description

The objective of the Project is to improve irrigation water management at tertiary and field levels in Sindh.

The Project consists of the following parts:

A. Community Water Infrastructure Improvement

1. Improvement and/or rehabilitation of tertiary distribution level water courses, through activities for farmer mobilization, the establishment and registration of water course associations and surveys, design and construction works.
2. Increase of the resilience of the rural poor to floods through the strengthening of flood mitigation measures, including the establishment of shelters.
3. Provision of supervision and implementation assistant consultants for Project design and construction supervision of activities under Part A of the Project.

B. Promotion and Installation of High Efficiency Irrigation Systems

1. (a) Installation of HEIS drippers and bubblers for growing high value crops on irrigated and irrigable land; (b) provision of technical assistance packages to farmers on the operation and management of HEIS; and (c) provision of additional training and assistance to farmers in the use of HEIS by specialists and consultants.
2. Establishment of HEIS demonstration sites and distribution of kitchen garden HEIS kits consisting of drip irrigation equipment to female-headed households and landless farmers.

C. Improved Agriculture Practices

1. Provision of laser guided land leveling equipment and associated deep ripping equipment, and facilitation of training in the use of the deep ripping equipment.
2. Facilitation of training to farmers to improve crop production and irrigation agronomy practices.

3. Provision of technical assistance and training consultants to provide training to field teams, public sector staff and farmers in HEIS installation, operation and repair, crop diversification, crop production under HEIS, soil moisture measurement, and fertilizer application, and to support piloting activities under Part B.2. of the Project and training of trainers for operators in laser land leveling and deep ripping under Part C.1 of the Project.

D. Project Management, Monitoring and Evaluation and Strategic Studies

1. Provision of support for Project monitoring and evaluation, and carrying out impact assessments.
2. Provision of support for the Project Implementation Unit and Project district offices and field offices and for carrying out of strategic and feasibility studies for pilot activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. On-lending

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under the same terms and conditions under which they are made available by the Association to the Recipient and in accordance with the Recipient's on-lending and budgetary policies and procedures.
2. Notwithstanding the provisions of the preceding paragraph, in the event of a conflict between the on-lending and budgetary policies and procedures of the Recipient and the provisions of this Agreement, including such additional instructions as the Association shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, the provisions of this Agreement, including said additional instructions, shall govern.
3. The Recipient shall exercise its rights under the on-lending arrangements referred to in paragraph 1 of this Part A in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive its rights or obligations under said arrangements.

B. Anti-Corruption

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

C. Safeguards.

1. The Recipient shall ensure, and cause the Project Implementing Entity to ensure, that the activities under the Project:
 - (a) are carried out in accordance with the Safeguards Instruments; and
 - (b) do not involve, or result in, any land acquisition or Involuntary Resettlement. In the event that any private land is required for the Project, the Recipient, in consultation with the Association, shall cause the Project Implementing Entity to ensure that such land be obtained on a willing-buyer-willing-seller basis and on replacement cost, or as a voluntary donation or bequest, in each case in conformity with the requirements of the Land Acquisition and Resettlement Policy Framework.

2. The Recipient shall, and shall cause the Project Implementing to, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any provision of the Safeguards Instruments, whether in whole or in part, except as the Association shall otherwise agree in writing and subject to compliance with the applicable consultation and public disclosure requirements of the Association.
3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, and shall cause the Project Implementing to, regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Instruments, giving details of: (a) measures taken in furtherance of the Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Instruments; and (c) remedial measures taken or required to be taken to address such conditions.
4. In the event of a conflict between the provisions of any of the Safeguards Instruments and those of this Agreement or the Project Agreement, the latter two shall govern.

D. Annual Work Plans and Budgets

The Recipient shall cause the Project Implementing Entity to:

- (a) throughout Project implementation, furnish to the Association for approval as soon as available, but in any case not later than January 31 of each year, the annual work plan and budget for the Project for each subsequent fiscal year, of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget for the first fiscal year which shall be furnished no later than one (1) month after the Effective Date; and
- (b) no later than three (3) months after furnishing the annual work plan and budget referred to in the preceding paragraph to the Association, finalize and adopt, and thereafter ensure that the Project is carried out in accordance with, such plan and budget as agreed with the Association.

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 the indicators set forth in the Operations Manual. Each Project Report shall cover the period of one calendar quarter, and shall be

furnished to the Association not later than one month after the end of the period covered by such report.

B. Project In-Depth and Midterm Reviews

The Recipient shall:

- (a) carry out jointly with the Association and the Project Implementing Entity:
 - (i) not later than twelve months after the Effective Date, or such other period as may be agreed with the Association, an in-depth review of the Project; and
 - (ii) not later than November 30, 2018, or such other date as may be agreed with the Association, a midterm review of the Project;

in each case, to assess the status of Project implementation, as measured against the indicators set forth in the Operations Manual and the legal covenants included in this Agreement and the Project Agreement. Such review shall include an assessment of the following: (i) overall progress in implementation; (ii) results of monitoring and evaluation activities; (iii) progress on procurement and disbursement; (iv) progress on implementation of safeguards measures; (v) implementation arrangements and Project staff turnover; and (vi) the need to make any adjustments to the Project and reallocate funds to improve performance;

- (b) to this end, cause the Project Implementing Entity to prepare and furnish to the Recipient and the Association, at least one (1) month before such review, a report, in scope and detail satisfactory to the Association and integrating the results of the monitoring and evaluation activities performed pursuant to Section II.A.1 of the Schedule to the Project Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and
- (c) review jointly with the Association and the Project Implementing Entity the report referred to in the preceding paragraph and thereafter cause the Project Implementing Entity to take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of such report and the Association's views on the matter.

C. 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. Without limitation on the provisions of Part A of this Section, the Recipient shall cause the Project Implementing Entity to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall cause the Project Implementing Entity to have the 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 (1) fiscal year of the Project Implementing Entity. 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.

D. Performance

1. The Recipient shall cause the Project Implementing Entity to ensure that:
 - (a) members of the PIU are at all times selected or recruited on the basis of terms of reference, qualifications and experience satisfactory to the Association;
 - (b) full financial and administrative authority for the Project is delegated to the Project Director;
 - (c) the Project Director is working full time as Project Director for the Project; and
 - (d)
 - (i) the performances of the Project Director and other key management, fiduciary and technical staff members/consultants of the PIU,
 - (ii) the timely carrying out of the respective contribution of the Project Director and other key management, fiduciary and technical staff members/consultants of the PIU to the annual work plans and budgets referred to in Section D below (the "Annual Work Plans and Budgets"), and

- (iii) the review of the activities undertaken for the implementation of the Annual Work Plans and Budgets,

will be assessed by the Project Implementing Entity, in conjunction with the Recipient and the Association on a six-monthly basis, unless otherwise agreed between the Project Implementing Entity, the Recipient and the Association.

- 2. Without limitation to the generality of the provisions of Section 2.01 of this Agreement, Section I.A.3 of this Schedule and Section 4.03 of the General Conditions, before deciding to replace any key management, fiduciary or technical staff member or consultant of the PIU, including without limitation the Project Director, the Financial Management Specialist, the Procurement Specialist, the Communication Specialist, the Environmental and Social Specialist, the Social Mobilization and Gender Specialist, the Monitoring and Evaluation Specialist, the Water Specialist, the Agriculture Specialist and the HEIS Specialist, the Recipient shall ensure that the Project Implementing Entity shall exchange views with the Association and the Recipient on: (a) the performance of such staff member; (b) the justification for such replacement; (c) the potential adverse impact of such replacement on the satisfactory implementation of the Project and the achievement of its objective, and (d) proposed mitigation measures of such impact on the Project.

Section III. Procurement

A. General

- 1. **Goods, Works and Non-consulting Services.** All goods, works 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, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works, and Non-consulting Services.** The following methods other than International Competitive Bidding may be used for procurement of goods, works, 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 Annex to this Schedule; (b) Shopping; (c) Direct Contracting; and (d) 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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) 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.

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)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants’ services and Training (including land acquisition if needed)	114,200,000	100% of amounts disbursed
(2) Incremental Operating Costs	18,500,000	100%
TOTAL AMOUNT	132,700,000	100%

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 15,924,000 equivalent may be made for payments made prior to this date but on or after April 1st, 2014, for Eligible Expenditures.
2. The Closing Date is December 31, 2021.

ANNEX TO SCHEDULE 2

National Competitive Bidding; Additional Provisions

The procedures applicable to the procurement of goods, works, and non-consulting services under contracts awarded on the basis of National Competitive Bidding shall be those set out in Rules 4 to 15, 17, 20 to 26, 29, 30, and 41 to 45 of the Project Implementing Entity's Public Procurement Rules (2010) (SROI (SGA&CD) 2-30/2010), with the additional provisions 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 Guidelines. In the event of a conflict between the Recipient's procedures and the additional provisions set forth below, the latter shall govern.

- (i) Invitations to bid shall be advertised in at least one (1) national newspaper with a wide circulation, at least thirty (30) days prior to the deadline for the submission of bids.
- (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 the submission of bids.
- (vii) Single bids shall also be evaluated.
- (viii) Bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior written agreement of the Association.
- (ix) Before rejecting all bids and soliciting new bids, the Association's prior written agreement shall be obtained.
- (x) Contracts shall not be awarded on the basis of nationally negotiated rates.
- (xi) Bids shall be solicited and works contracts awarded on the basis of unit prices.
- (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 bidder.
- (xiv) Draft contracts shall be reviewed by the Association in accordance with Prior Review procedures.
- (xv) A 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 executing an Association-financed contract, shall be ineligible to be awarded an Association-financed contract during the period of time determined by the Association.
- (xvi) Each contract financed from the proceeds of the Financing 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 an obstructive practice.
- (xvii) Recipient-owned enterprises shall be eligible to bid only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the Recipient.
- (xviii) The Association shall declare a firm ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for or executing a contract financed by the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 st and October 1 st :	
commencing April 1 st , 2020, to and including October 1 st , 2029	1.65%
commencing April 1 st , 2030 to and including October 1 st , 2039	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.

APPENDIX

Section I. Definitions

1. “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.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “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 and revised in July 2014.
4. “Directorate General Agriculture Engineering and Water Management” and the acronym “DGAEWM” means the Project Implementing Entity’s government directorate in charge of agriculture, engineering and water management, or any successor thereto.
5. “Displaced Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by Involuntary Resettlement.
6. “Environmental and Social Management Framework” means environmental and social management framework contained in the Project Implementing Entity’s undated document entitled “Environmental Assessment/Environmental Management Plan for Sindh Irrigated Agriculture Productivity Enhancement Project (SIAPEP) – Environmental Assessment Report” and in the Project Implementing Entity’s undated document entitled “Social Impact Assessment - Sindh Irrigated Agriculture Productivity Enhancement Phase 1 Project, Final Feasibility Report, Volume 4”, which sets forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental and social impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, and guidelines and procedures for the preparation of Environmental and Social Management Plans, and such term includes any annexes, appendices, or schedules to such framework.
7. “Environmental and Social Management Plan” means each plan prepared by Project Implementing Entity in accordance with the provisions of the Environmental and Social Management Framework, which sets forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental and social impacts of

activities under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, and such term includes any annexes, appendices, or schedules to such plan.

8. “Gender Action Plan” means the action plan included in the Project Implementing Entity’s undated document entitled “Social Impact Assessment - Sindh Irrigated Agriculture Productivity Enhancement Phase 1 Project, Final Feasibility Report, Volume 4”, , which sets forth actions to intensify the implementation of gender mainstreaming of the Project, and such term includes any annexes, appendices, or schedules to such plan.
9. “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.
10. “Grievance Redress Committee” and the acronym “GRC” means the committee to be established by the Project Implementing Entity in accordance with Section I.A.4 of the Schedule to the Project Agreement.
11. “Grievance Redress Mechanism” and the acronym “GRM” means the mechanism established by the Project Implementing Entity for considering complaints and referred to in Section I.A.4 of the Schedule to the Project Agreement.
12. “HEIS” means high efficiency irrigation systems.
13. “Incremental Operating Costs” means the incremental operating costs of the Project incurred by the Recipient or the Project Implementing Entity for purposes of Project management, implementation, and monitoring and evaluation on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, office space rental, building and equipment maintenance, domestic and international travel, lodging, and subsistence allowances, and salaries and salary supplements of contractual and temporary staff, but excluding salaries, salary supplements and overheads of members of the Recipient’s or the Project Implementing Entity’s civil service.
14. “Integrated Pest Management Plan” means the provisions related to pest management embedded in the Project Implementing Entity’s undated document entitled “Environmental Assessment/Environmental Management Plan for Sindh Irrigated Agriculture Productivity Enhancement Project (SIAPEP) – Environmental Assessment Report”, which sets forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, for integrated pest management and the safe handling of pesticides

under activities to be implemented under the Project, and such term includes any annexes, appendices, or schedules to such plan.

15. “Involuntary Resettlement” means the following caused on account of Project implementation: (a) the involuntary taking of land, resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihood of the affected person.
16. “Land Acquisition and Resettlement Policy Framework” means the Project Implementing Entity’s undated document entitled “Land Acquisition and Resettlement Policy Framework (LARF) for Sindh Irrigated Agriculture Productivity Enhancement Project – Final Feasibility Report”, which sets forth measures to mitigate and respond to Involuntary Resettlement, including guidelines and procedures for the preparation of Resettlement Action Plan(s), and such term includes any annexes, appendices, or schedules to such framework.
17. “Operations Manual” means the Project Implementing Entity’s undated manual, entitled “Sindh Irrigated Agriculture Productivity Enhancement Project – Project Operations Manual”, setting forth implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements for purposes of implementation of the Project, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes, appendices, or schedules to such manual.
18. “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 and revised in July 2014.
19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 20, 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.
20. “Project Implementation Committee” and the acronym “PIC” means the committee established by the Project Implementing Entity pursuant to Notification no. 19(30)SO(DEV)/SLAPEP dated December 9, 2014, and referred to in Section I.A.2 of the Schedule to the Project Agreement.
21. “Project Implementing Entity” means the Recipient’s Province of Sindh, or any successor thereto.

22. “Project Implementation Unit” and the acronym “PIU” means the unit established by the Project Implementing Entity referred to as the “Project Supervisor and Implementation Unit Committee (PSIUC)” pursuant to Notification no. 19(30)SO(DEV)/SIAPEP dated December 9, 2014, and referred to in Section I.A.3 of the Schedule to the Project Agreement.
23. “Project Steering Committee” and the acronym “PSC” means the committee to be established by the Project Implementing Entity in accordance with Section I.A.1 of the Schedule to the Project Agreement.
24. “Resettlement Action Plan” and the acronym “RAP” means the Project Implementing Entity’s resettlement and action plan prepared in accordance with the provisions of the Land Acquisition and Resettlement Policy Framework, identifying Displaced Persons on account of implementation of Project activities, and setting forth the terms and conditions for providing them with resettlement assistance and/or compensation, as well as the procedures to be applied in the identification, assessment and mitigation of potential Project related social impacts, including the protocols for consultation, the processing of complaints and grievance redress, monitoring and reporting requirements, and the Displaced Persons’ entitlement schedules; as such plan may be revised, updated or supplemented from time to time with the prior written agreement of the Association.
25. “Safeguards Instruments” means, collectively, the Environmental and Social Management Framework, the Environmental and Social Management Plan(s), the Gender Action Plan, the Integrated Pest Management Plan, the Land Acquisition and Resettlement Policy Framework, and Resettlement Action Plan(s).
26. “Sindh” means the Recipient’s Province of Sindh, or any successor thereto.
27. “Training” means the reasonable cost of trainings, seminars and workshops, conferences and study tours, conducted in the territory of the Recipient, including: (i) the fees of training institutions and courses; (ii) domestic travel costs, lodging costs, and subsistence/per diem allowances both for trainers and trainees; (iii) the rental of training facilities; and (iv) preparation, purchase or reproduction of training materials.

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.”
2. 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”.
3. 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).”
4. 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”.
5. 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).