

**OFFICIAL  
DOCUMENTS**

---

---

**CREDIT NUMBER 5684-PK**

**Financing Agreement**

**(Sindh Barrages Improvement Project)**

**between**

**ISLAMIC REPUBLIC OF PAKISTAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated** *August 26* , 2015

---

---

**CREDIT NUMBER 5684 - PK**

**FINANCING AGREEMENT**

AGREEMENT dated *August 26*, 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 three million and seven hundred thousand Special Drawing Rights (SDR133,700,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 March 15<sup>th</sup> and September 15<sup>th</sup> 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 the 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.	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



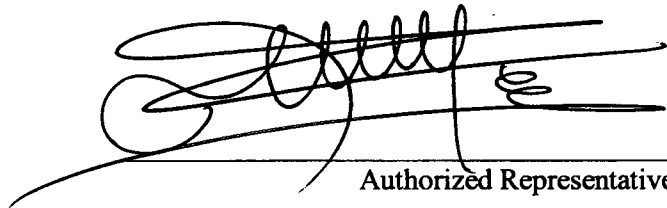
Authorized Representative

Name: \_\_\_\_\_

Title: \_\_\_\_\_

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## SCHEDULE 1

### Project Description

The objectives of the Project are to improve the reliability and safety of the Guddu barrage and to strengthen the Sindh Irrigation Department's capacity to operate and manage the barrage.

The Project consists of the following parts:

#### *Component A: Rehabilitation of the Guddu Barrage*

Rehabilitation of the barrage and its associated structures through: (a) gate replacement works including all mechanical and electrical equipment; (b) concrete repairs along the upstream gate grooves and rehabilitation of both fish ladders; (c) removal of the left pocket dividing wall and construction of a new left pocket dividing wall from steel sheet piles and concrete caissons; (d) river training works through construction of a left bank spur and strengthening of the upstream existing river training works; (e) construction of offices for the operation and maintenance staff at the Guddu barrage, including laboratory, residential buildings, dispensary, mosque, recreational facilities, access roads and all supporting service infrastructure; (f) implementation of the environment and social plan (but expressly excluding land expenditures and compensation for land acquisition related to the implementation of a resettlement instrument or cash compensation and other assistance paid in cash for involuntary resettlement); and (g) consulting services for construction, supervision, quality control and construction management support.

#### *Component B: Improved Barrage Operation*

Provision of support for: (a) the establishment of a Barrages Management Organization (BMO), through undertaking a study to design the structure of the organization, define its roles and responsibilities, and move towards a more service oriented culture; and (b) the modernization and improvements of the Guddu barrage operation and maintenance through upgrades to the instrument monitoring systems, the water measurement equipment, the replacement of surveillance and maintenance boats, the acquisition of hydrographic equipment, the construction of new covered workshops and the provision of a stock of spare parts for maintenance activities, as well as the upgrading of the operation, maintenance and surveillance manual.

#### *Component C: Project Management, Monitoring and Evaluation*

Coordination of all Project-related activities as well as training and technical assistance in procurement, financial, social and environmental safeguards and communications.

Analytical work for, and establishment of, a Barrage Management Organization including a panel of experts to review, monitor, evaluate and provide guidance on the rehabilitation process with respect to the safety of the barrage.

Implementation of an information, dissemination and communication program and of the communication strategy (including through the organization of consultations).

## 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 all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Association Policies, as well as the Recipient's and the Project Implementing Entity's own laws relating to the environment and social aspects.
2. (a) The Recipient shall ensure, and cause the Project Implementing Entity to ensure, that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents.

- (b) Without limitation to the generality of sub-paragraph (a) immediately above, the Recipient shall ensure that:
    - (i) for each activity under the Project of a type for which the Social Management Framework provides that a Social Management Plan should be prepared, such Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Social Management Framework, and the relevant activity is implemented in accordance with its Social Management Plan; and
    - (ii) for each activity under the Project of a type for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Resettlement Policy Framework, and the relevant activity is implemented in accordance with its Resettlement Action Plan.
  - (c) Without limitation to the generality of sub-paragraph (a) immediately above, the Recipient shall ensure, and cause the Project Implementing Entity to ensure, that in the event that any private land is required for the Project, the Recipient, in consultation with the Association, shall or 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 Resettlement Policy Framework.
3. (a) Without limitation to the generality of the foregoing provisions in subparagraph (3)(a) immediately above, the Recipient shall ensure that each contract for civil works under the Project includes the obligation of the relevant contractor to comply with the relevant Safeguard Documents applicable to such civil works commissioned/awarded pursuant to said contract.
- (b) Without limitation to the generality of the foregoing provisions in subparagraph (a) immediately above, the Recipient shall ensure, prior to commencing any works under the Project, that: (i) all necessary governmental permits and clearances for such civil works shall have been obtained from the competent governmental authority/ies; (ii) all pre-construction conditions imposed by the governmental authority/ies under such permit(s) or clearance(s) shall have been complied with/fulfilled; and (iii) all resettlement measures for the respective civil works set forth in the applicable Resettlement Action Plan shall have been fully executed,



including the full payment of compensation prior to displacement and/or the provision of relocation assistance to all Displaced Persons, as per the entitlements provided in the Resettlement Policy Framework and/or the applicable Resettlement Action Plan.

4. The Recipient shall ensure that the following expenditures for the Project are financed exclusively out of its or the Project Implementing Entity's own resources, and, to this end, shall provide or cause the Project Implementing Entity to provide, as promptly as needed, the resources required therefor, namely:
  - (a) all land acquisition required for the purpose of the Project, if any; and
  - (b) any compensation, resettlement and rehabilitation payment to Displaced Persons in accordance with the provision of the Resettlement Action Plans.
5. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall it permit the Project Implementing Entity or any other entity participating in the implementation of the Project to do so.
6. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, and shall cause the Project Implementing Entity to, regularly collect, compile and submit to the Association, on a quarterly basis, reports on the status of compliance with the Safeguard Documents, giving details of:
  - (a) measures taken in furtherance of the Safeguard Documents;
  - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and
  - (c) remedial measures taken or required to be taken to address such conditions.
7. The Recipient shall, or shall cause the Project Implementing Entity to, strengthen, maintain and operate throughout the period of Project implementation, a safeguard grievance redress mechanism (the "SGRM") for the handling of any stakeholder safeguard related complaints arising out of the implementation of the Project activities. The operation and procedures of the SGRM shall be subject to guidelines agreed between the Recipient and the Association.
8. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement or the Project Agreement, the terms of this Agreement and the Project Agreement shall prevail, in that order of priority.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

1. 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 calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

**B. Project Midterm Reviews**

The Recipient shall:

- (a) not later than thirty (30) months after the Effective Date, or such other date as may be agreed with the Association, carry out jointly with the Association and the Project Implementing Entity, a midterm review of the Project, to assess the status of Project implementation, as measured against the indicators referred to in Section II.A.1 above 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 this Schedule and 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. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester (six months period), 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. The audited Financial Statements for each such period shall be furnished to the Association not later than six 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 PMO and the PCMU 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 PMO and the PCMU,
    - (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 PMO and the PCMU to the annual work plans and budgets referred to in Section I.D (the “Annual Work Plans and Budgets”) of this Schedule, 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 3.01 of this Agreement and Section 4.03 of the General Conditions, before deciding to replace any key management, fiduciary or technical staff member or consultant of the PMO or the PCMU, including without limitation the Project Director, the Financial Management Specialist, the Procurement Specialist, the Environmental and Social Specialists, the Monitoring and Evaluation 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 Attachment to this Schedule; (b) Shopping; (c) Direct Contracting; and (d) Community Contracting following procedures as agreed with 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.

**E. Grievance Redress Mechanism**

The Recipient shall, or shall cause the Project Implementing Entity to, no later than three (3) months after the Effective Date, strengthen, maintain and operate throughout the period of Project implementation, a procurement grievance redress mechanism (the "PGRM") for the handling of any stakeholder procurement related complaints arising out of the implementation of the Project activities. The operation and procedures of the PGRM shall be subject to guidelines agreed between the Recipient and 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 single category of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to the Category, and the percentage of expenditures to be financed for Eligible Expenditures in the Category:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Works, goods, non-consulting services, and consultants’ services for the Project, including Training and Incremental Operating Costs	133,700,000	90% for works and  100% for goods, non-consulting services, and consultants’ services, including Training and Incremental Operating Costs
<b>TOTAL AMOUNT</b>	133,700,000	

**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.
2. The Closing Date is December 22, 2020.

## ATTACHEMENT 2 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, or if a legal entity with which the Association has entered into a cross-debarment agreement has declared such firm ineligible to be awarded a contract financed by such legal entity.



**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each March 15 <sup>th</sup> and September 15 <sup>th</sup> :	
commencing September 15 <sup>th</sup> , 2020 to and including March 15 <sup>th</sup> , 2030	<b>1.65%</b>
commencing September 15 <sup>th</sup> , 2030 to and including March 15 <sup>th</sup> , 2040	<b>3.35%</b>

\* 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. “Annual Work Plans and Budgets” means the annual work plans and budgets (including related cash forecasts) for the implementation of the Project approved by the Association, referred to in Section I.D of the Schedule to the Project Agreement.
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. “Association Policies” means, to the extent that they are applicable to the Project activities, the operational policies and procedures OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.07 (Water Resources Management), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams), contained in the Association’s Operational Manual which can be found on the Association’s website at [www.worldbank.org](http://www.worldbank.org).
4. “Barrage Management Organization” or “BMO” means the barrage management organization to be established under the Project.
5. “Barrage Operation Plan” means in the document of the Irrigation Department of the Project Implementing Entity entitled “Guddu Barrage Rehabilitation Project – Design Report Annex F: Rules and Regulations for the Operation and Maintenance of Guddu Barrage” and dated November 2014, which contains rules and regulations as well as best practices for the operational management and recommendations for the rehabilitation of the barrage, for use by barrage staff in the immediate future, including the institutional arrangement for its implementation and an instrumentation plan; and such term includes any annexes, appendices, or schedules to such plan.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “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).
8. “Displaced Person” means a person who, on account of the execution of an activity under the Project, has experienced or would experience direct economic and social impacts caused by: (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 such 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 such person; and “Displaced Persons” means all such persons.

9. “Emergency Preparedness Plan” means the emergency preparedness plan contained in the document of the Irrigation Department of the Project Implementing Entity entitled “Guddu Barrage Rehabilitation Project – Design Report Annex G: Emergency Preparedness Plan” and dated November 2014, which sets out actions to be carried out if an emergency should arise that causes or has the potential to cause a large uncontrolled release of impounded water which would have the potential to harm persons and property downstream, including a communication plan, and such term includes any annexes, appendices, or schedules to such plan.
10. “Environmental and Social Assessment” means the document prepared by the Project Implementing Entity entitled “Environmental and Social Assessment” and dated December 2014.
11. “Environmental and Social Management Plan” means the environmental and social management plan included in the document of the Irrigation Department of the Project Implementing Entity entitled “Sindh Barrages Improvement Project - Guddu Barrage Rehabilitation” and dated December 2014, containing an overview of the potential environmental and social impacts of the Project and mitigation measures, procedures and guidelines for its environmental and social management including institutional, monitoring, capacity building aspects and a grievance redress mechanism; and such term includes any annexes, appendices, or schedules to such plan.
12. “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.
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. “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.
15. “Panel of Experts” means, collectively, the set of consultants referred to in Section I.A.4 of the Schedule to the Project Agreement.
16. “Planning and Development Department” or “PDD” means the Planning and Development Department of the Province of Sindh, or any successor thereto.
17. “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).
18. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 12, 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.
19. “Project Coordination and Management Unit” or “PCMU” means the Project Implementing Entity’s project coordination and management unit in PDD and referred to in Section I.A2 of the Schedule to the Project Agreement.
20. “Project Implementing Entity” means the Recipient’s Province of Sindh, or any successor thereto.
21. “Project Management office” or “PMO” means the Project Implementing Entity’s management office, established for the Project pursuant to the Project Implementing Entity’s notification dated March 3, 2014.
22. “Project Steering Committee” or “PSC” means the Project Implementing Entity’s steering committee, established for the Project pursuant to the Project Implementing Entity’s notification dated May 7, 2015.
23. “Resettlement Policy Framework” means the resettlement policy framework included in the Social Management Framework.
24. “Safeguards Documents” means, collectively, the Environmental and Social Assessment, the Environmental and Social Management Plan, the Social Management Framework, the Social Management Plans prepared in accordance with the Social Management Framework, if any, the Resettlement Policy

Framework, and the Resettlement Action Plans prepared in accordance with the Resettlement Policy Framework, if any; the Emergency Preparedness Plan; the Barrage Operation Plan; as well as any guidance and recommendations from the Panel of Experts.

25. “Sindh” means the Recipient’s Province of Sindh.
26. “Social Management Framework” means the social management framework contained in the document of the Irrigation Department of the Project Implementing Entity entitled “Sindh Barrages Improvement Project: Rehabilitation and Modernization of the Guddu Barrage - Social Management Framework” and dated December 2014, which sets forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, a social action plan, a communication strategy and a grievance redress mechanism, to eliminate any adverse 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 Social Management Plans; and such term includes any annexes, appendices, or schedules to such framework.
27. “Social Management Plan” means each plan prepared by the Recipient or the Project Implementing Entity in accordance with the provisions of the 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.
28. “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.”

1. 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”.
2. 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).”
3. 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”.
4. 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).