

---

---

CREDIT NUMBER 7041-PK

# **Financing Agreement**

**(Punjab Urban Land Systems Enhancement Project)**

**between**

**ISLAMIC REPUBLIC OF PAKISTAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

---

---

**CREDIT NUMBER 7041-PK**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between the ISLAMIC REPUBLIC OF PAKISTAN (“Recipient”) and the 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) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred thirty-two million six hundred thousand Euros (EUR 132,600,000) (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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.
- 2.06. The Payment Dates are February 15 and August 15 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 Euro.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project and cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and, Schedule 2 to this Agreement and the Project Agreement.

**ARTICLE IV — TERMINATION**

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 10.05 (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 Signature Date.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is the Secretary, Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer of the Recipient's Ministry of Economic Affairs.

- 5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:

Ministry of Economic Affairs  
Government of Pakistan  
Islamabad  
Pakistan; and

- (b) the Recipient's Electronic Address is:

Facsimile: 92-51-910-4016      E-mail: [secretary@ead.gov.pk](mailto:secretary@ead.gov.pk)

- 5.03. For purposes of Section 11.01 of the General Conditions: (a) The Association's address is:

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

- (b) the Association's Electronic Address is:

Telex: 248423 (MCI)      Facsimile: 1-202-477-6391      E-mail: [CMUPakistan@worldbank.org](mailto:CMUPakistan@worldbank.org)

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF PAKISTAN

By



\_\_\_\_\_  
Authorized Representative

Kazim Niaz

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

Secretary Ministry of Economic Affairs

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

01-Oct-2022

Date: \_\_\_\_\_

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



\_\_\_\_\_  
Authorized Representative

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

Najy Benhassine

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

Country Director

Date: \_\_\_\_\_

01-Oct-2022

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to support the Government of Punjab with: (i) improved land records; and (ii) identification of land for development, including land for housing programs.

The Project consists of the following parts:

#### **Part 1: Digital Land Records and Cadastral Maps for LRMIS**

Developing a seamless and multipurpose cadastral map linked to digital land records, facilitating land rights registration in the LRMIS, and supporting the regularization of unregistered lands in notified informal settlements through such activities as:

- (a) spatial framework for LRMIS;
- (b) systematic registration of peri-urban properties;
- (c) upgrading tax records to urban land records;
- (d) incorporation of existing urban records into a unified land registry; and
- (e) systematic registration of urban properties.

#### **Part 2: Land for Housing**

- (a) Preparing an inventory of state lands by digitalizing, georeferencing and storing state lands in a database.
- (b) Building on the information in the inventory by supporting the Project Implementing Entity to develop strategies and procedures for managing those public land assets.
- (c) Identifying suitable public lands for the housing programs.

#### **Part 3: Integrated Land and Geospatial Information Systems and Services**

- (a) Strengthening ICT equipment and software.
- (b) Developing the next generation LRMIS and land information portal.
- (c) Digitizing Deeds Registry's land records across the Project Implementing Entity.
- (d) Establishing a provincial spatial data infrastructure.
- (e) Providing base maps, including multi-hazard risk assessment.

**Part 4: Project Management and Institutional Strengthening**

- (a) Supporting the overall capacity of the Project Management Unit and the Project Implementation Units to coordinate, manage, implement, and supervise the implementation of the Project, including, *inter alia*: (i) carrying out of financial management, procurement management as well as environmental and social safeguards management; (ii) baseline study, monitoring, evaluation, and reporting of the Project; and (iii) support of inter-agency coordination.
- (b) Conducting studies and analysis to strengthen the policy, legal, regulatory, and institutional frameworks.
- (c) Carrying out pilots to develop parcel-based cadastral mapping and streamlined registration processes for unified land registration.
- (d) Facilitating awareness raising, social monitoring, women's land rights, legal assistance, dispute resolution facilitation and safeguards implementation for cadastral mapping and registration.
- (e) Carrying out renovation of Arazi Record Centers to expand the new LRMIS service coverage in the Project Implementing Entity's geographical jurisdiction.

**Part 5: Contingent Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, as requested.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements.**

1. The Recipient shall cause the Project Implementing Entity to establish within one (1) month of Effective Date the following committee and units in accordance with Section I.A.1 of the Schedule to the Project Agreement:
  - (a) the Project Steering Committee;
  - (b) the Project Management Unit;
  - (c) the PIU-PLRA; and
  - (d) the PIU-PDMA.

##### **B. On-lending Arrangements.**

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 as shall have been received from the Association and in accordance with the provision of this Agreement and the Recipient's on-lending policies and budgetary procedures.
2. Notwithstanding paragraph one (1) above, in the event that any of the provisions of this Agreement, including the instructions that the Association shall have specified by notice to the Recipient pursuant to this Schedule, are inconsistent with the budgetary procedures of the Recipient, the provisions of this Agreement shall prevail.
3. The Recipient shall exercise its rights under on-lending arrangements referred to in Section I.B.1 of this Schedule 2 in such manner as to protect its interests and those of the Association and to accomplish the purposes of the Credit. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive its rights under such arrangements.

##### **C. Environmental and Social Standards.**

1. The Recipient shall cause the Project Implementing Entity to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.



2. Without limitation upon paragraph 1 above, the Recipient shall cause the Project Implementing Entity to ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall cause the Project Implementing Entity to ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall cause the Project Implementing Entity to ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall cause the Project Implementing Entity to, establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate

resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

6. The Recipient shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**D. Project Operational Manual and Project Implementation Arrangements**

1. The Recipient shall cause the Project Implementing Entity to:
  - (a) prepare and promptly furnish to the Association for its review, and adopt, by no later than one (1) month after the Effective Date, a Project Operational Manual in a manner and substance satisfactory to the Association, setting out detailed arrangements and procedures for implementation of the Project including *inter alia*:
    - (i) implementation arrangements including delineation of role and responsibility of various departments, entities, institutions and agencies involved in Project implementation and their coordination;
    - (ii) the procurement procedures and standard procurement documentation;
    - (iii) disbursement arrangements, financial management procedures and audit procedures;
    - (iv) Personal Data collection/processing;
    - (v) annual work plan and budget preparation and review procedures;
    - (vi) the Project performance indicators and monitoring and evaluation arrangements;
    - (vii) arrangement and procedures for environment and social safeguard management including social monitoring and gender strategy;
    - (viii) public awareness and communication arrangements; and

- (ix) administrative, financial, technical, and organizational arrangements and procedures as shall be required for the Project; and
  - (b) thereafter, implement the Project in accordance with the Project Operational Manual.
- 2. The Recipient shall ensure the Project Implementing Entity does not amend, abrogate, or suspend, or permit to be amended, abrogated, or suspended any provision of the Project Operational Manual without the prior written agreement of the Association.
- 3. Notwithstanding the foregoing, if any provision of the Project Operational Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail. Subject to the prior written agreement of the Association, the Recipient shall cause the Project Implementing Entity to update the Project Operational Manual, as necessary, at all times ensuring compliance thereof with the terms of this Agreement.
- 4. The Recipient shall or cause the Project Implementing Entity to ensure that collection, storage, usage, or processing of personal data are carried out with due regard to appropriate data protection and privacy standards and practices.

**E. Contingent Emergency Response**

- 1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed, or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed, and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

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

The Recipient shall furnish to the Association each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 to this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in EUR)</b>	<b>Percentage of Expenditures to be Financed (Inclusive of Taxes)</b>
(1) Goods, works, consulting services, non-consulting services, Incremental Operating Costs, and Training for the Project	132,600,000	100%
(2) Emergency Expenditures	0	
<b>TOTAL AMOUNT</b>	<b>132,600,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date, except those withdrawals up to an aggregate amount not to exceed EUR three (3) million may be made for payments made prior to this date but on or after December 1, 2021, for Eligible Expenditures under Category (1); or
  - (b) for Emergency Expenditures under Category (2), unless and until all of the following conditions have been met in respect of said expenditures:
    - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (2); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
    - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is June 30, 2027.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (Expressed as a percentage) *</b>
On each February 15 and August 15:	
commencing August 15, 2027, to and including February 15, 2047	<b>1.65%</b>
commencing August 15, 2047, to and including February 15, 2052	<b>3.40%</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 3.05 (b) of the General Conditions.

## APPENDIX

### Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
2. “Arazi Record Centers” means the service centers for land transactions set up in the Project Implementing Entity.
3. “Basis Adjustment to the Interest Charge” means the Association’s standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association and expressed either as a positive or negative percentage per annum.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “CERC Manual” means the manual referred to in Section I.E of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operational Manual.
6. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
7. “Custodians of State Lands” means government authorities with responsibility for managing State Lands under their jurisdiction.
8. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
9. “Emergency Action Plan” means the plan referred to in Section I.E of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
10. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.E of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.

11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated January 26, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
13. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
14. “ICT” means information and communication technologies, which refers to all communication technologies, including computer, software, middleware, the internet, wireless networks, and other media applications and services enabling users to access, retrieve, store, transmit, and manipulate information in a digital form.
15. “Incremental Operating Costs” means the reasonable costs of the incremental expenditures required for the Project, including consumable materials and supplies; office rental costs; utilities fees; insurance; communications; advertising and newspaper subscriptions; printing and stationery costs; vehicle and/or office equipment operation and maintenance; charges for opening and operating bank accounts required for the Project, travel, lodging and per diems for Project staff, but does not include salaries or salary supplements of the Recipient’s or the Project Implementing Entity’s civil servants, except for the salaries and/or salary supplements to the Recipient’s or the Project Implementing Entity’s civil servants



formally deputed to the Project to assist in carrying out of the Project activities are entitled to in accordance with the applicable government policies during the period of their deputation.

16. “LRMIS” means the Land Records Management and Information System that creates, stores, updates, processes, and analyzes land records in the Project Implementing Entity to provide land-related information and services.
17. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata, and factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of an individual.
18. “PIU-PDMA” means the unit to be established within the Provincial Disaster Management Authority of the Project Implementing Entity referred to Section I.A.1(c) of the Schedule to the Project Agreement.
19. “PIU-PLRA” means the unit to be established within the Punjab Land Records Authority of the Project Implementing Entity referred to Section I.A.1(c) of the Schedule to the Project Agreement.
20. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
21. “Project Implementation Units” means collectively the PIU-PLRA and PIU-PDMA, each referred to Section I.A.1(c) of the Schedule to the Project Agreement.
22. “Project Implementing Entity” means the Province of Punjab.
23. “Project Management Unit” means the unit to be established within the Board of Revenue of the Project Implementing Entity and referred to Section I.A.1(b) of the Schedule to the Project Agreement.
24. “Project Operational Manual” means the manual referred in Section I.D.1(b) of Schedule 2 to this Agreement and the Section I.C of Schedule to the Project Agreement, as the same may be amended from time to time in agreement with the Bank, and such term includes any schedules to the Project Operational Manual.

25. “Project Steering Committee” means the committee to be established by the Project Implementing Entity and referred to in Section I.A.1(a) of the Schedule to the Project Agreement.
26. “Provincial Disaster Management Authority” the authority constituted by the Government of Punjab under the National Disaster Management Act, 2010.
27. “Punjab Land Records Authority” means the authority set up under the Punjab Land Records Authority Act 2017.
28. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
29. “Training” means the costs of training activities under the Project, including seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to training preparation and implementation, all based on annual work plans and budgets approved by the Association.