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**CREDIT NUMBER 7237-PK**

# **Financing Agreement**

**(Sindh Integrated Health and Population Project)**

**between**

**ISLAMIC REPUBLIC OF PAKISTAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 7237-PK**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date 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) 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 fifty-five million nine hundred thousand Special Drawing Rights (SDR 155,900,000) (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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.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 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 V of the General Conditions, 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 Ministry of Economic Affairs of the Recipient.

- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Economic Affairs  
Block C, Pakistan Secretariat  
Islamabad, Pakistan; and

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

Facsimile:                      E-mail:  
+92-51-910-4016                [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  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

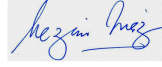
(b) the Association's Electronic Address is:

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

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF PAKISTAN

By



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

Name: Dr. Kazim Niaz

Title: Secretary Ministry of Economic Affairs

Date: 06-Jan-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



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Authorized Representative

Name: Najy Benhassine

Title: Country Director

Date: 05-Jan-2023

## SCHEDULE 1

### Project Description

The objective of the Project is to improve utilization and quality of basic RMNCAH+N, for poor and vulnerable populations, especially women and children, in targeted areas of Sindh.

The Project consists of the following parts:

Part 1: Improving RMNCAH+N services utilization and quality and support during public health emergencies (For clarity, Project activities exclude any acquisition or deployment of COVID-19 vaccines.)

*1.1. Public health emergency response to combat health impact due to the floods*

Supporting integrated outreach healthcare and reproductive health services through:

- (a) provision of existing mobile health teams and additional fixed and/or mobile health units, delivery vans and ambulance services for referral and surveillance system, including labs;
- (b) procurement of lifesaving medicines and essential medical equipment and supplies, including reproductive health kits, midwifery kits, newborn baby kits and safe delivery kits, dignity kits and family planning commodities, insecticide treated bed nets for vector control and nutrition services;
- (c) equipping referral facilities with trained human resources, equipment, and supplies; and
- (d) strengthening surveillance system for disease outbreak detection and response, especially in the worst affected districts.

*1.2. Strengthening/rehabilitating of the health facilities for providing preventive care*

Supporting the provision of Minimum Service Delivery Standards (MSDS) (including GBV responses) for RMNCAH+N through:

- (a) revitalization of the Selected GDs and other health facilities, including basic health units, rural health centers, THQs and DHQs, affected by the flood by, *inter alia*, refurbishment of the health facilities, purchase of equipment, including medicines and supplies, and ambulance services for referral;

- (b) recruitment and deployment of female health workers, specifically woman medical officers, community midwives, and community health workers;
- (c) effective structural and functional integration of health facility-based family planning services and community-based services;
- (d) training of the healthcare providers on MSDS, GBV prevention and management, climate-induced disaster and epidemic response including disease surveillance and telehealth services for RMNCAH+N at places with access to the internet;
- (e) establishment of a dynamic, integrated electronic medical records system linked to the Sindh District Health Information System and other key health databases, to track patient-related data; and
- (f) implementation of prevention programs, including health education, screening for hypertension and blood sugar, and vaccinations.

*1.3. Strengthening of referral hospitals for effective delivery and neonatal care*

Supporting Selected THQ and DHQ Hospitals to provide comprehensive obstetric and neonatal care through the following activities:

- (a) purchase of equipment, medicines and supplies;
- (b) provision of blood storage units; and
- (c) training of the healthcare providers on MSDS and management of mothers and children referred from Selected GDs.

Part 2: Strengthening demand for RMNCAH+N services, including women's empowerment for availing health services

- (a) Carrying out social and behavior change communication campaign, including extensive community outreach, involvement of community and religious leaders to reach the Selected GDs and the IDP due to flood, mid-media and face-to-face discussions or focus groups at the women's community centers and IDP settlements;
- (b) Supporting interventions to engage gatekeepers such as husbands, mothers-in-law, and community leaders on key issues such as women's role in decision-making about their own health, birth spacing, and timely uptake of RMNCAH+N services and benefits of reducing violence; and
- (c) Conducting social accountability interventions, annual health assemblies and social audits.

Part 3: Project Management, Monitoring and Evaluation and Research

- (a) Supporting the strengthening of the DoH and its coordinating structures and agencies for the coordination and management of Project activities;
- (b) Supporting monitoring and evaluation (M&E), including third-party monitoring and rapid household surveys, as well as surveys measuring quality of service delivery at health facilities;
- (c) Recruitment of additional staff/consultants, use of information technology and communication equipment and workshops and training; and
- (d) Redesigning effective delivery care based on the feasibility study.

Part 4: Contingency Emergency Response

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



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. On-Lending Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall make 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 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 Section IV.A.1 of 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 paragraph 1 of this Section above in such a manner as to protect its interest 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.

##### B. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 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 nor 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.

**C. Expenditures to be Financed with Counterpart Funds**

On or after January 1, 2027, the Recipient shall cause the Project Implementing Entity to: (a) ensure that the following expenditures are financed exclusively out of its own resources and not out of the proceeds of the Financing; and (b) provide, promptly as needed, the resources needed for this purpose, namely that, seventy percent (70%) of the costs associated with salaries of the contractual staff under Part 1.2(b) of the Project.

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

1. The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.
2. 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 the Financing Agreement, the Project Implementing Entity 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 Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Incremental Operating Costs and Training for the Project	155,900,000	100%
(2) Emergency Expenditures	0	100%
<b>TOTAL AMOUNT</b>	<b>155,900,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date, except those withdrawals up to an aggregate amount not to exceed SDR 31,180,000 may be made for payments made prior to this date but on or after July 1, 2022, 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 February 15, 2028 to and including August 15, 2047	<b>1.65%</b>
commencing February 15, 2048 to and including August 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “CERC Manual” means the manual referred to in Section I.B 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 Operations Manual.
4. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
5. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
6. “DHQ” means district headquarter hospital.
7. “DoH” means the Department of Health of the Project Implementing Entity, or any successor thereto.
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.B 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.B 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 September 17, 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 African 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. “GBV” means gender-based violence, including, domestic abuse, honor killings, sexual violence and/or institutionalized discrimination practices.
14. “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).
15. “GD” means the Government Dispensary, which is devoted to the primary health care of outpatients.
16. “IDP” means internally displaced population in Sindh due to flooding.
17. “Incremental Operating Costs” means the reasonable costs of incremental expenditures required for the Project and incurred by the Project Implementing Entity for day-to-day coordination, administration, and supervision of Project activities, including consumable materials and supplies, office rental, utility fees, insurance, communications, advertising and newspaper subscriptions, printing and stationery, operation and maintenance of office equipment and vehicles, charges for opening and operating bank accounts, in-country travel costs, boarding/lodging and per-diems for Project staff, and salaries of contractual staff (other than consultants) under Part 1.2(b) of the Project and salaries of the contractual support staff required for Project management under Part 3 of the Project, but excluding

salaries, bonuses, fees, and honoraria or equivalent payments of members of the Recipient's and Project Implementing Entity's civil service, except for salaries and/or salary supplements of members of the Recipient's or the Project Implementing Entity's civil service formally deputed to the Project to assist in carrying out the Project activities in accordance with the applicable Recipient's policies during the period of such deputation.

18. "Minister of Health" means the Project Implementing Entity's Minister for Health and Population Welfare, or any successor thereto.
19. "MSDS" means minimum service delivery standards.
20. "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.
21. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
22. "Project Implementing Entity" means the Recipient's Province of Sindh.
23. "Project Operations Manual" means the project operations manual to be prepared, approved, and adopted by the Project Implementing Entity, in accordance with Section I.B of Schedule to the Project Agreement.
24. "PWD" means the Population Welfare Department of the Project Implementing Entity, or any successor thereto.
25. "RMNCAH+N" means reproductive, maternal, newborn, child, and adolescent health with nutrition.
26. "Selected GDs" mean the GDs selected in Sindh and any other GD that may be selected from time to time for the purposes of the Project.
27. "Selected THQ and DHQ Hospitals" mean the hospitals selected in Sindh and any other hospital that may be selected from time to time for the purposes of the Project.



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. “Sindh” means the Recipient’s Province of Sindh (the “Project Implementing Entity”).
30. “THQ” means Tehsil headquarter hospital.
31. “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.