

Public Disclosure Authorized

# OFFICIAL DOCUMENTS

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CREDIT NUMBER 6047-PK

## Financing Agreement

(Sindh Enhancing Response to Reduce Stunting Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated

JULY 26, 2017

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**CREDIT NUMBER 6047-PK**

**FINANCING AGREEMENT**

AGREEMENT dated JULY 26, 2017, 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 forty five million five hundred thousand Special Drawing Rights (SDR45,500,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 May 15 and November 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 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 days (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 to the Government of Pakistan, Economic Affairs Division ("EAD"), or any Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer in EAD.
- 5.02. The Recipient's Address is:

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

Facsimile:

+92-51 9202417

5.03. The Association's Address is:

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

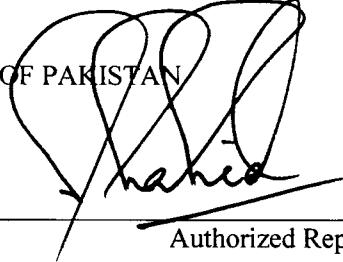
Facsimile:

+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

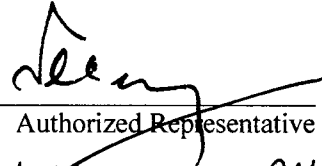


Authorized Representative

Name: **SHAHID MAHMOOD**  
**Secretary**  
Title: **Economic Affairs Division**  
**Government of Pakistan**  
**Islamabad**

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: *Patcharamitha Illangorari*  
Title: *Country Director, Pakistan*

## SCHEDULE 1

### Project Description

The objective of the Project is to contribute to the reduction of the stunting rate among children under 5 years of age by targeting the most affected districts in the Province of Sindh.

The Project consists of the following parts:

**Part 1: Expanding Access to a Multi-sectoral Package of Services for Reducing Stunting**

Expanding access to an increased number and improved quality of selected nutrition-specific and nutrition-sensitive interventions through the implementation of a multi-sectoral package of services known to reduce stunting in the medium to long-term, as described in the sectoral plans for health and nutrition; population and welfare; sanitation and hygiene; agriculture (including livestock & fisheries); education, social protection and strategic communication; which have been included in the Recipient's Accelerated Action Plan for Reducing Stunting and Malnutrition (AAP).

**Part 2: Strengthening Key Cross-Cutting Nutrition-Related Interventions and Project Management**

Strengthening key cross-cutting nutrition-related interventions, through the provision of technical assistance, and selected inputs to, *inter alia*, support: (a) measures for the implementation of the CCT Program; (b) development of an overarching multi-sectoral communications strategy for social and behavior change; and (c) institutional arrangements for cross-cutting interventions, including coordination and project management, citizen engagement, integrated multi-sectoral data information systems, and Project monitoring, evaluation and supervision.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. On-lending Arrangements

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

##### B. Anti-Corruption

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

##### C. Safeguards

The Recipient shall cause the Project Implementing Entity to carry out the Project in accordance with the Safeguards Instruments, and to refrain from amending, suspending, waiving, abrogating, and/or voiding any provision of the Safeguards Instruments, in whole or in part, without the prior written agreement of the Association. In the event of any conflict between the provisions of any of the Safeguards Instruments and those of this Agreement, the provisions of this Agreement shall prevail.

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

##### A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and shall cause the Project Implementing Entity to prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators

acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

**B. Financial Management, Financial Reports and Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report, not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than nine (9) months after the end of such period.

**Section III. Procurement**

All goods, works, non-consulting services and 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 the Procurement Regulations and the provisions of the Procurement Plan.

**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 Investment Project Financing" dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:



| <b>Category</b>  | <b>Amount of the Loan Allocated (expressed in SDR)</b> | <b>Percentage of Expenditures to be financed (inclusive of Taxes)</b> |
|--|--|---|
| (1) Eligible Expenditures Program under Part 1 of the Project  | 33,190,000   | 100%  |
| (2) Goods, non-consulting services, consultants' services, Training, and Incremental Operating Costs under Part 2 of the Project | 12,310,000   | 100%  |
| <b>TOTAL AMOUNT</b>  | <b>45,500,000</b>                                      |   |

**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. Notwithstanding the provisions of Part A of this Section, the Recipient shall only submit an application for withdrawal under Category (1) and withdrawal shall only be made for each such application if the Recipient has:
  - (a) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the Association of the applicable IUFR detailing the expenditures incurred under the Eligible Expenditure Program up to the date of the applicable withdrawal application; and
  - (b) furnished evidence, in accordance with the Verification Protocols and acceptable to the Association, of the Project Implementing Entity's satisfactory achievement of each DLR for the respective Fiscal Year and at any time during that Fiscal Year and for which payment is requested in the amount of the Price for each such DLR as set forth in Schedule 4 to this Agreement.
3. Notwithstanding the foregoing, if the Association determines in its sole discretion that one or more of the DLRs set forth in Schedule 4 to this Agreement has/have not been achieved, or were no longer achievable, by the end of the respective Fiscal Year and/or the Closing Date, then, the Association shall withhold the allotted Price for the unmet DLR(s) and, at its sole discretion, may:

- (a) authorize partial releases of the amounts so withheld/to be withheld up to the Price applicable to the partial DLR achieved, if and when the Association is satisfied that: (i) the non-fulfillment of the respective DLR(s) is due to an event of force majeure; and/or (ii) the Recipient and/or the Project Implementing Entity have/has made reasonable efforts, in the sole opinion of the Association, to remedy the situation in order to achieve said DLR(s);
- (b) authorize, at a later date, the full release of the amounts so withheld, if and when the Association is satisfied that the respective DLR(s) has/have been achieved; and/or
- (c) at any time, by notice to the Recipient, cancel the amount(s) so withheld/to be withheld, and/or reallocate it/them, whether in full or in part, to any other Category and/or DLR(s).

4. The Closing Date is December 31, 2021.

**SCHEDULE 3**

**Repayment Schedule**

| <b>Date Payment Due</b>                                    | <b>Principal Amount of the Credit repayable (expressed as a percentage)*</b> |
|--|--|
| On each May 15 and November 15:                            |  |
| commencing November 15, 2022 to and including May 15, 2032 | <b>1.65%</b>   |
| commencing November 15, 2032 to and including May 15, 2042 | <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.

**SCHEDULE 4**

**Disbursement-Linked Indicators, Disbursement-Linked Results and Allocated Amounts Applicable to the Program**

| DISBURSEMENT-LINKED INDICATORS   | DISBURSEMENT-LINKED RESULTS  |  |   |  | RESULTS TO BE ACHIEVED IN FY2020/21(YEAR 4) |
|--|--|--|---|--|---|
|  | RESULTS TO BE ACHIEVED IN FY2017/18 (YEAR 1)   | RESULTS TO BE ACHIEVED IN FY2018/19 (YEAR 2)   | RESULTS TO BE ACHIEVED IN FY19/20 (YEAR 3)  | RESULTS TO BE ACHIEVED IN FY2020/21(YEAR 4)  |   |
| <p><i>1a Cumulative number of pregnant women who received 4 prenatal care and counseling visits at community level</i></p>                         | <p>(a) at least 350,000 pregnant women received 4 prenatal care visits at community level - (Allocated Amount US\$1,000,000)</p>                               | <p>(a) at least 725,000 pregnant women received 4 prenatal care visits at community level - (Allocated Amount US\$1,500,000)</p>                               | <p>(a) at least 1,100,000 pregnant women received 4 prenatal care visits at community level - (Allocated Amount US\$2,000,000)</p>                              | <p>(a) at least 1,525,000 pregnant women received 4 prenatal care visits at community level - (Allocated Amount US\$2,500,000)</p>                               |   |
| <p><i>1b. Cumulative number of women receiving 4 ANC at primary and secondary health care facilities (BHU, RHC, THQ, and DHQ)</i></p>              | <p>(b) at least 190,000 of women received 4 ANC at primary and secondary health care facilities (BHU, RHC, THQ, and DHQ)- (Allocated Amount US\$1,000,000)</p> | <p>(b) at least 415,000 of women received 4 ANC at primary and secondary health care facilities (BHU, RHC, THQ, and DHQ)- (Allocated Amount US\$1,500,000)</p> | <p>(b) at least 675,000 of women received 4 ANC at primary and secondary health care facilities (BHU, RHC, THQ, and DHQ) - (Allocated Amount US\$2,000,000)</p> | <p>(b) at least 1,000,000 of women received 4 ANC at primary and secondary health care facilities (BHU, RHC, THQ, and DHQ)- (Allocated Amount US\$2,500,000)</p> |   |
| <p><i>2.a Cumulative number of children 6-59 months who are screened (MUAC) for malnutrition at community level</i></p>                            | <p>(a) at least 575,000 children 6-59 months are screened (MUAC) for malnutrition at community level - (Allocated Amount US\$1,000,000)</p>                    | <p>(a) at least 1,370,000 children 6-59 months are screened (MUAC) for malnutrition at community level - (Allocated Amount US\$1,500,000)</p>                  | <p>(a) at least 2,600,000 children 6-59 months are screened (MUAC) for malnutrition at community level - (Allocated Amount US\$2,000,000)</p>                   | <p>(a) at least 5,280,000 children 6-59 months are screened (MUAC) for malnutrition at community level - (Allocated Amount US\$2,500,000)</p>                    |   |
| <p><i>2.b Cumulative number of malnourished children aged 6-59 months who are registered in Outpatient Therapeutic (OTP) centers at health</i></p> | <p>(b) at least 95,000 malnourished children aged 6-59 months are registered in Outpatient Therapeutic</p>   | <p>(b) at least 135,000 malnourished children aged 6-59 months are registered in Outpatient Therapeutic</p>  | <p>(b) at least 310,000 malnourished children aged 6-59 months are registered in Outpatient Therapeutic</p>   | <p>(b) at least 320,000 malnourished children aged 6-59 months are</p>   |   |

| DISBURSEMENT-LINKED RESULTS   |   |  |   |   |
|---|---|--|---|---|
| DISBURSEMENT-LINKED INDICATORS  | RESULTS TO BE ACHIEVED IN FY2017/18 (YEAR 1)  | RESULTS TO BE ACHIEVED IN FY2018/19 (YEAR 2)   | RESULTS TO BE ACHIEVED IN FY19/20 (YEAR 3)  | RESULTS TO BE ACHIEVED IN FY2020/21(YEAR 4)   |
| <i>facilities and mobile health clinics</i>   | Program centers at health facilities and mobile health clinics- (Allocated Amount US\$1,000,000)  | facilities and mobile health clinics- (Allocated Amount US\$1,500,000)   | Program centers at health facilities and mobile health clinics-(Allocated Amount US\$2,000,000)   | registered in Outpatient Therapeutic Program centers at health facilities and mobile health clinics- (Allocated Amount US\$2,500,000) |
| <i>Cumulative number of villages certified open defecation free (ODF)</i>                             |   |  |   |   |
| <i>3a Number of signed NGO contracts</i>  | (a) at least 2 NGO contracts have been signed to facilitate mobilization of villages to participate in the project activities-(Allocated Amount US\$ 500,000) | (a) at least 5 NGO contracts for mobilization of villages to participate in the project activities-(Allocated Amount US\$ 500,000) | (a) at least 10 NGO contracts for have been signed to facilitate mobilization of villages to participate in the project activities-(Allocated Amount US\$500,000) |   |
| <i>3b Cumulative number of Villages Certified Open Defecation Free (ODF)</i>                          | (b) at least 400 villages certified open defecation free-(Allocated Amount US\$500,000)   | (b) at least 2,200 villages certified open defecation free-(Allocated Amount US\$1,000,000)  | (b) at least 5,400 villages certified open defecation free-(Allocated amount US\$1,500,000)   | (b) at least 8,600 villages certified open defecation free-(Allocated Amount US\$2,000,000)   |
| <i>4. Introduction of nutrition and life-skills curriculum/instructional materials in Grades 6-10</i> | Department of Education has developed a curriculum , trained teachers and introduced in Grades 6-10   |  |   |   |

| DISBURSEMENT-LINKED INDICATORS   | DISBURSEMENT-LINKED RESULTS  |   |  |  |
|--|--|---|--|--|
|  | RESULTS TO BE ACHIEVED IN FY2017/18 (YEAR 1)   | RESULTS TO BE ACHIEVED IN FY2018/19 (YEAR 2)  | RESULTS TO BE ACHIEVED IN FY19/20 (YEAR 3)           | RESULTS TO BE ACHIEVED IN FY2020/21 (YEAR 4) |
|  | of (primarily) female schools-(Allocated Amount US\$2,000,000)   |   |  |  |
| 5. Implementation of a province-wide, multi-sectoral media/communications campaign | Sindh adopted a plan for the implementation of a province-wide, multi-sectoral media/communications campaign to reduce stunting-(Allocated Amount US\$500,000) | Sindh launched a province-wide, multi-sectoral media/communications campaign to reduce stunting – (Allocated Amount US\$1,500,000)                  |  |  |
| Percentage of allocated nutrition financing actually expended                      |  |   |  |  |
| 6a Amount of nutrition-related releases for AAP by 31 July                         | (a) at least 500,000,000 PKR of nutrition related releases for AAP to selected districts are made by June 30, 2018 (Allocated Amount US\$1,000,000)            | (a) at least 500,000,000 PKR of nutrition related releases for AAP to selected districts are made by June 30, 2019-(Allocated Amount US\$1,000,000) |  |  |
| 6b Establishment of nutrition expenditure tracking program                         |  | (b) Sindh's Nutrition expenditure tracking program functional-(Allocated Amount US\$1,500,000)  |  |  |
|  |  |   | (c)Amounts for nutrition related AAP expenditures by |  |

| DISBURSEMENT-LINKED INDICATORS                                   | DISBURSEMENT-LINKED RESULTS                  |  |   |  |
|--|--|--|---|--|
|  | RESULTS TO BE ACHIEVED IN FY2017/18 (YEAR 1) | RESULTS TO BE ACHIEVED IN FY2018/19 (YEAR 2) | RESULTS TO BE ACHIEVED IN FY19/20 (YEAR 3)  | RESULTS TO BE ACHIEVED IN FY2020/21(YEAR 4)  |
| 6c Annual amount of nutrition-related expenditures by AAP sector |  |  | sectors are being reported through the nutrition tracking expenditures program-(Allocated Amount US\$1,500,000) | (c)Amounts for nutrition related AAP expenditures by sectors are being reported through the nutrition expenditure program-Amount (Allocated US\$1,500,000) |

## **APPENDIX**

### **Section I. Definitions**

1. “AAP” means Sindh’s Accelerated Action Plan for Reduction of Stunting and Malnutrition, with the objective of reducing stunting from 48% to 30% by 2021.
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 and as of July 1, 2016.
3. “ANC” means Ante Natal Care Visit.
4. “BCC” means Behavior Change Communication.
5. “BHU” means Basic Health Unit.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “CCT Program” means Sindh’s Conditional Cash Transfer pilot to create demand for nutrition services, promote behavioral change and increase uptake of health and nutrition services focused on the first 1000 days of life.
8. “DHQ” means District Headquarter Hospital.
9. “Disbursement Linked Indicator” or “DLI” means each of the disbursement-linked indicators set forth in the first column of the matrix set forth in Schedule 4 to this Agreement.
10. “Disbursement Linked Result” or “DLR” means each of the disbursement-linked targets/results set forth in Schedule 4 to this Agreement in the columns entitled “Results to be Achieved in FY2017/18 (Year 1)”, “Results to be Achieved in FY2018/19 (Year 2)”, “Results to be Achieved in FY2019/20 (Year 3)”, or “Results to be Achieved in FY2020/21 (Year 4)”, as applicable, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of Section IV of Schedule 2 to this Agreement.
11. “Displaced Persons” means persons who, on account of the implementation of the Project, have 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; (iii) loss of income source or means of livelihood, whether or not such persons 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 persons.

12. “Eligible “Eligible Expenditures Program” or “EEP” means the reasonable costs of salaries of selected categories of staff and the operational costs associated with these personnel that are an integral part of the delivery of the multi-sectoral nutrition services under the AAP.
13. “Environmental and Social Management Framework” or “ESMF” means the environmental and social management framework adopted by the Project Recipient and disclosed on January 16, 2017, acceptable to the Association, setting out the principles, standards, processes and tools to be applied to assess potential adverse environmental and social impacts associated with Project activities and the ways to avoid, minimize and/or mitigate them, with related public consultation, disclosure, reporting and grievance redress procedures, including for the preparation of Environmental and Social Management Plans (including Pest Management Plans), as may be required for Project activities, as said framework may be modified from time to time by agreement between the Recipient and the Association.
14. “Environmental and Social Management Plan” or “ESMP” means, individually, each of the Recipient’s environmental and social management plans, as may be required to be prepared in accordance with the ESMF and Section 1.E.2(b) of the Schedule to the Project Agreement, setting forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan; and “Environmental and Social Management Plans” and “ESMPs” means, collectively, all such plans.
15. “Fiscal Year” or “FY” means the Recipient’s and the Project Implementing Entity’s fiscal year which begins on July 1 of each calendar year and ends on June 30 of the next calendar year.
16. “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.
17. “IUFR” means Interim Unaudited Financial Report referred to in Section II.B.2. of Schedule 2 to this Agreement.
18. “MUAC” means Mid Upper Arm Circumference.

19. "NGO" means Non-Governmental Organization.
20. "Nutrition Coordinator" means the Coordinator to the Chief Minister Sindh for nutrition.
21. "ODF" means Open Defecation Free.
22. "OTP" means Outpatient Therapeutic Program.
23. "Pest Management Plan" or "PMP" means the section of the ESMF and the respective ESMPs setting forth the pest management tools and techniques, and guidelines regarding handling of pesticides, to be followed by the Project Implementing Entity in/during the implementation of the Project.
24. "PKR" means Rupees, the currency of the Recipient
25. "Price" means the amount of the Financing allocated to the achievement of each DLR in each Fiscal Year as set forth in Schedule 4 to this Agreement and for which the Recipient may make withdrawal applications in accordance with Section IV.B of Schedule 2 to this Agreement.
26. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 18, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.
27. "Procurement Regulations" means the "World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016.
28. "Project Implementing Entity and/or "Sindh" means the Province of Sindh.
29. "Project Operations Manual" means the Project Implementing Entity's manual referred to in Section I.B of the Schedule to the Project Agreement.
30. "Provincial Task Force Secretariat for AAP" or "Secretariat" means the Secretariat, referred to in Section I.1(a) of the Schedule to the Project Agreement, responsible for, inter alia, coordinating and monitoring the implementation of the Project.
31. "RHC" means Rural Health Center.
32. "Resettlement Action Plan" or "RAP" means, individually, each of the Project Implementing Entity's resettlement action plans, as may be required to be prepared in accordance with the RPF and Section 1.E.2(b) of the Schedule to the Project Agreement, acceptable to the Association, which sets out the: (i) principles and procedures governing the acquisition of land required for the Project; (ii) Displaced Persons as a result of Project activities; (iii) actions and measures for the payment

of compensation to Displaced Persons and for their resettlement and rehabilitation; (iv) criteria and procedures for developing and implementing actions and measures for mitigating the adverse social impacts resulting from the implementation of Project activities; and (v) principles and procedures for consultation, grievance redress, reporting and monitoring requirements, as said plan may be revised from time to time by agreement between the Recipient and the Association; and “Resettlement Action Plans” and “RAPs” means, collectively, all such plans.

33. “Resettlement Policy Framework” or “RPF” means the RPF adopted by the Recipient and disclosed on January 16, 2017, acceptable to the Association, which sets out the policies and procedures for addressing adverse temporary or permanent social impacts resulting, or likely to result, from the carrying out of the Project, including for the preparation of Resettlement Action Plans as may be required for Project activities, as said framework may be revised from time to time by agreement between the Recipient and the Association.
34. “Safeguards Instruments” means the Environmental and Social Management Framework, the Resettlement Policy Framework, the Environmental and Social Management Plan(s) and the Resettlement Action Plan(s).
35. “THQ” means Taluka Headquarter Hospital.
36. “Verification Protocols” means the protocol and evidence required for the verification of DLIs and DLRs, acceptable to the Association and set out in the Project Operations Manual.

## **Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

“Section 3.02. *Service Charge and Interest Charge*

- (a) *Service Charge*. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.
- (b) *Interest Charge*. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment

Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”

2. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02 (b).”

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).