

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4947-PK

Financing Agreement

(Sindh Skills Development Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 21, 2011

CREDIT NUMBER 4947 -PK

FINANCING AGREEMENT

AGREEMENT dated October 21, 2011, entered into between the 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 thirteen million four hundred thousand Special Drawing Rights (SDR13,400,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 Payment Dates are June 1 and December 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 4 to this Agreement.

- 2.07. The Payment Currency is United States Dollars.

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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that: (i) the legislation and ancillary regulation establishing BBSYDP (Notification S.O(CIV)SGA&CD/11-3/08);000; and/or (ii) the legislation establishing STEVTA (Sindh Act No. VIII of 2010), shall have been amended, suspended, abrogated, repealed or waived, whether in whole or in part, so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement and/or achieve the Project's development objectives.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 above occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety days (90) days after the date of this Agreement.
- 5.02. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is any of the Secretary, Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer of the Economic Affairs Division of the Federal Government of the Islamic Republic of Pakistan.

6.02. The Recipient's Address is:

The Secretary
Economic Affairs Division
Government of Pakistan
Islamabad
Pakistan

Facsimile:

(92-51) 9202417

6.03. 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

248423 (MCI)

1-202-477-6391

Washington, D.C.

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

ISLAMIC REPUBLIC OF PAKISTAN

By/s Abdul Wajid Rana

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s Rachid Benmessaoud

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the Project Implementing Entity in strengthening its training programs to improve the skills set and employability of Trainees.

The Project consists of the following parts:

Component 1: Improving and Expanding Short-Term Training

Expand the coverage, and improve the outcomes, of BBSYDP by providing demand-driven and short-term (three to twelve months) skill training to approximately 45,000 trainees, through performance-based training contracts with Training Providers.

Component 2: Establishing, Improving or Upgrading Market-Driven Institutional Training Programs

Pilot a market-driven institutional enhancement plan through the establishment, improvement or upgrading of approximately seventy (70) technical and vocational training programs in educational/training institutions administered by STEVTA in order to better meet skill demands from employers, and enhance the job-prospects of trainees.

Component 3: Strengthening the Institutional Capacity of STEVTA

Strengthening the institutional capacity of STEVTA, and the technical and vocational training institutions supported under Component 2 of the Project in order to: (i) develop and implement technical and vocational education and training reforms; (ii) carrying out Project monitoring and evaluation surveys/studies; and (iii) comply with the procurement, financial management, contract management and other fiduciary requirements under the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. On-lending Arrangement

1. To facilitate the carrying out of the Project, 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 provision 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 govern.

B. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall cover the period of six (6) months (January to June, and July to December), 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 not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have, or shall cause the Project Implementing Entity to have the Financial Statements (covering the operations, resources and expenditures related to the Project) audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The Recipient shall ensure that the audited financial statements for each period shall be: (a) furnished to the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

A. General

1. **Goods and Works** All goods and works 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. **Definition.** 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Methods
(a) National Competitive Bidding (<i>subject to the additional procedures set forth in paragraph 3 below</i>)
(b) Shopping
(c) Direct Contracting

3. **Procedures for National Competitive Bidding** When procuring goods and non-consultant's services pursuant to the provisions of Rules 4 to 15, 17, 20 to 26, 29, 30, 41 to 45 of the Project Implementing Entity's Public Procurement Rules (2010) (SROI (SGA&CD) 2-30/2010), as agreed to with the Association, the Recipient shall ensure that the following additional requirements be applied in order to align such procedures with the Procurement Guidelines:

- (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 submission of bids;
- (vii) Single bids shall also be considered for evaluation;
- (viii) Estimates shall be based on market rates and bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Association;
- (ix) Before rejecting all bids and soliciting new bids, the Association's prior concurrence shall be obtained;
- (x) Contracts shall not be awarded on the basis of nationally negotiated rates;
- (xi) Contracts shall be awarded to the lowest evaluated and qualified bidder;

- (xii) Post-bidding price negotiations shall not be allowed with the lowest evaluated or any other bidders;
- (xiii) Bids shall be solicited and contracts shall be awarded on the basis of unit prices and not on the basis of a composite schedule of rates;
- (xiv) Draft NCB contract would be reviewed by the Association in accordance with the 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 in executing an Association-financed contract, shall be ineligible to be awarded an Association-financed contract during the period of time determined by the Association; and
- (xvi) Each contract financed from the proceeds of a Credit shall provide that the suppliers, contractors and subcontractors shall permit the Association, at its request to inspect their account 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 obstructive practice.

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 table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Selection based on Consultants Qualifications
(b) Single Source Selection
(c) Quality-Based Selection
(d) Least-Cost Selection
(c) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Stipends/Relocations Allowances; Subgrants; fees for Training Providers, goods, consultants' services, Training and Workshops and Incremental Operating Costs under Component 1 of the Project	9,560,000	80%
(2) Eligible Expenditure Program under Component 2 of the Project		
(a) First scheduled disbursement (on or after December 31, 2011)	490,000	75%

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(b) Second scheduled disbursement (on or after September 30, 2012)	650,000	75%
(c) Third scheduled disbursement (on or after June 30, 2013)	650,000	75%
(d) Fourth scheduled disbursement (on or after October 31, 2013)	650,000	75%
(3) Goods, consultants' services, Training and Workshops and Incremental Operating Costs under Component 3 of the Project	800,000	100%
(4) Unallocated	600,000	
TOTAL AMOUNT	13,400,000	

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 date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR1,270,000 equivalent may be made for payments made prior to this date but on or after January 1, 2011, for Eligible Expenditures under Category (1) and (3); and
 - (b) for purposes of Sub-Category (2)(a), until December 31, 2011, and unless the Recipient shall have:
 - (i) submitted the respective interim un-audited financial report for the calendar quarter immediately preceding the date in which the withdrawal application has been filed; and

- (ii) by no later than June 30, 2012, furnished the Association with evidence, satisfactory to the Association, of the achievement of the DLI #1 (*Actions to be Completed Prior to the First Scheduled Disbursement*), as set out in Schedule 3 to this Agreement; or
- (c) for purposes of Sub-Category (2)(b) until September 30, 2012, and unless the Recipient shall have:
 - (i) submitted the respective interim un-audited financial report for the calendar quarter immediately preceding the date in which the withdrawal application has been filed; and
 - (ii) by no later than September 30, 2013, furnished the Association with evidence, satisfactory to the Association, of the achievement of the DLI #2 (*Actions to be Completed Prior to the Second Scheduled Disbursement*), as set out in Schedule 3 to this Agreement; or
- (d) for purposes of Sub-Category (2)(c) until June 30, 2013, and unless the Recipient shall have:
 - (i) submitted the respective interim un-audited financial report for the calendar quarter immediately preceding the date in which the withdrawal application has been filed; and
 - (ii) by no later than June 30, 2014, furnished the Association with evidence, satisfactory to the Association, of the achievement of the DLIs #3 (*Actions to be Completed Prior to the Third Scheduled Disbursement*), as set out in Schedule 3 to this Agreement; or
- (e) for purposes of Sub-Category (2)(d) until October 31, 2013, and unless the Recipient shall have:
 - (i) submitted the respective interim un-audited financial report for the calendar quarter immediately preceding the date in which the withdrawal application has been filed; and
 - (ii) by no later than December 31, 2014, furnished the Association with evidence, satisfactory to the Association, of the achievement of the DLIs #4 (*Actions to be Completed Prior to the Fourth Scheduled Disbursement*), as set out in Schedule 3 to this Agreement.

2. Notwithstanding the foregoing, if one or more of the DLIs provided for in the foregoing disbursement conditions applicable to Sub-Categories (2)(a) through (2)(d) have not been achieved by their due dates, as required in said conditions, the Association, at its sole discretion may:
 - (a) at a later date, if and when the Association is satisfied that the respective DLIs have been achieved, authorize the withdrawal of the Credit proceeds so withheld; or
 - (b) at any time, by notice to the Recipient: (i) cancel the corresponding amount of the Credit withheld pursuant to paragraphs 1(b) through (e) of this Section IV.B; or (ii) reallocate said amount to other Categories or Sub-Categories.
3. The Closing Date is December 31, 2014.

C. Deposit of Financing Amounts

Except of the Association may otherwise agree:

- (a) any withdrawal from the Financing Account for the financing of expenditures under Component 2 of the Project shall be deposited by the Association into an account designated by the Recipient and acceptable to the Association; and
- (b) the Recipient shall ensure that upon each deposit of an amount of the Financing into this account, an equivalent amount in Rupees is deposited, within two working days, in the Province of Sindh's Consolidated Fund – Account No. 1 (Non-Food), in a manner acceptable to the Association.

SCHEDULE 3

Disbursement Linked Indicators

DISBURSEMENT LINKED INDICATOR No.1	ACTIONS TO BE COMPLETED PRIOR TO THE FIRST SCHEDULED DISBURSEMENT.
Implementation of Governance Reform	Memorandum of understanding signed between STEVTA and selected institutions with properly established governing boards, for at least fifty (50) programs selected for establishment, improvement or upgrading.

DISBURSEMENT LINKED INDICATOR No. 2	ACTIONS TO BE COMPLETED PRIOR TO THE SECOND SCHEDULED DISBURSEMENT.
Development of Market-Driven Curricula	<p>(i) Revised curricula developed and adopted by the relevant institutions, for at least seventy percent (70%) of the vocational/technical training programs selected under the Project by June 30, 2012; and</p> <p>(ii) Technical specifications for at least seventy percent (70%) of the curriculum-compliant equipment and materials required by the vocational/technical training programs supported under the Project have been developed, and the respective tenders have been prepared.</p> <p>(iii) The Finance Department of Sindh has allocated to STEVTA in the Sindh's fiscal year budget, the resources required to purchase at least fifty percent (50%) of the curriculum-compliant learning equipment detailed in the equipment purchase plans.</p>

DISBURSEMENT LINKED INDICATOR No. 3	ACTIONS TO BE COMPLETED PRIOR TO THE THIRD SCHEDULED DISBURSEMENT.
Adequately Equipping Reformed Programs	At least seventy percent of the vocational/technical training programs selected under the Project by June 30, 2012, have:

	<p>(i) facilities that have been renovated/refurbished according to the approved plan, as validated on a sample basis by a third party;</p> <p>(ii) installed curriculum-compliant learning equipment as detailed in the equipment purchase plans submitted to STEVTA, as verified on a sample basis by a third party; and</p> <p>(iii) teacher placement plans and faculty training plans completed, as verified on a sample basis by a third party.</p>
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<p>DISBURSEMENT LINKED INDICATOR NO. 4</p>	<p>ACTIONS TO BE COMPLETED PRIOR TO THE FOURTH SCHEDULED DISBURSEMENT.</p>
<p>Commencement of Training</p>	<p>At least seventy percent (70%) of the vocational/technical training programs supported by the Project have registered trainees for up to eighty percent (80%) of the training course capacity in the immediately preceding three (3) months.</p>

SCHEDULE 4

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 1 and December 1:	
commencing June 1, 2021 to and including December 1, 2030	1.25%
Commencing June 1, 2031 to and including December 1, 2045	2.5%

* 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

Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, as amended in January 2011.
2. “BBSYDP Operations Manual” means the Project Implementing Entity’s BBSYDP General Guidelines (Version–IV), dated January 2011 and the respective implementation plan, dated March 2011, setting forth, inter alia, the principles and procedures governing the operations Component 1 of the Project, including: (i) reporting, monitoring, procurement, financial management and accounting procedures; (ii) terms of reference and selection criteria for the engagement of Training Providers and, if applicable, procedures for the payment of Sub-grants; and (iii) the procedures and eligibility criteria for the selection of Trainees and the defrayment of Stipends/Relocation Allowances therefor, as said guidelines may be amended from time to time with the approval of the Association.
3. “BBSYDP Provincial Steering Committee” means the committee established pursuant to No.SO(C-IV)SGA&CD/4-25/08, and referred to in sup-paragraph (b) of Section I.A of the Schedule to the Project Agreement.
4. “Benazir Bhutto Shaheed Youth Development Program” and the acronym “BBSYDP” means the training program established under the Secretariat of the Chief Minister of Sindh in accordance with the notification No.SO(C-IV)SGA&CD/11-3/08.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” published by the Association in January 2011.
7. “Departmental Accounts Committees” means the Departmental Account Committees of STEVTA or BBYS DP as the case may be.
8. “Disbursement Linked Indicators” and the acronym “DLIs” mean, collectively, the disbursement-linked targets set forth in Schedule 3 to this Agreement, and to be accomplished as provided for in Section IV.B.1 of Schedule 2 to this Agreement; and the acronym “DLI” means individually, any one of such targets.

9. “Eligible Expenditures Program” means, collectively, (i) the reasonable amounts paid as monthly salaries by the Project Implementing Entity to STEVTA’s teachers, management and working staff employed in STEVTA’s headquarter or at STEVTA-administered technical/vocational training institutions, including the one-month gratuity paid per every year of service, and accounted for by the Project Implementing Entity under the Budget/Object Code: A01; (ii) the reasonable costs of utilities fees (i.e. electricity, gas and water charges) bundled and accounted for under the Budget/Object Code A033; and (iii) the reasonable expenditures incurred by STEVTA and STEVTA-administered vocational/training institution for goods, works and consultants services identified by STEVTA in its Procurement Plan, as well as any Training and Workshops in connection with the carrying out of Component 2 of the Project, and accounted for under the Budget/Object Code KA5446-Market –Driven Instructional Program under Fund Code SC21008-Planning.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
11. “Incremental Operating Costs” means the reasonable costs of incremental expenditures required for the Project, including: consumable material and supplies; office administration and rental costs; communications, mass media and printing services; vehicle rentals, operation and maintenance; charges for the opening and operation of bank accounts required for the Project; travel, lodging and per diems; and fees, materials and ancillary costs of workshops to disseminate results but excluding salaries of officials of the Project Implementing Entity’s civil service.
12. “Independent Evaluation Committee” means the committee to be established pursuant to sub-paragraph (e) of Section I.A of the Schedule to the Project Agreement.
13. “M&E Third Party Consultants” means, collectively, the monitoring and evaluation consultants to be hired pursuant to the provisions of Section I.E of the Schedule to the Project Agreement, in order to carry out third party validations of the contract performance and reporting requirements of Training Providers.
14. “Memorandum of Understanding” means the written arrangements to be entered between STEVTA and selected STEVTA-administered vocational/technical training institutions in order to establish, improve or upgrade training programs, in accordance with the provisions set forth in paragraph 4 of Section I.D of the Schedule to the Project Agreement.
15. “P&DD” means the Planning and Development Department of the Province of Sindh, and/or any successor thereto.

16. “PCU” means the Project coordination unit established pursuant to Notification No. SO(C-IV)SGA&CD/11-3/08, and referred to in sub-paragraph (c) of Section I.A of the Schedule to the Project Agreement.
17. “Procurement Guidelines” means the “Guidelines: Procurement of goods, Works and Non-consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” published by the Association in January 2011.
18. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 3, 2011 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
19. “Project Implementing Entity” means the Province of Sindh.
20. “Sindh Skills Development Leadership Team” means the policy/advisory established pursuant to Notification SO(C-IV) SGA&CD/4-5/07 (P-I) and referred to in sub-paragraph (a) of Section I.A of the Schedule to the Project Agreement.
21. “STEVTA” means the Sindh Technical Education and Vocational Training Authority established under the Planning & Development Department of Sindh pursuant to the STEVTA Act 2009 (Sindh Act No. VIII of 2010).
22. “STEVTA Board” means the executive board established pursuant to Section 5 of STEVTA Act 2009 (Sindh Act No. VIII of 2010).
23. “STEVTA Operations Manual” means the STEVTA’s General Guidelines (Version –1.7), dated March 7, 2011 setting forth, *inter alia*, the principles and procedures governing the operations of Component 2 of the Project, including: (i) reporting, monitoring, procurement, financial management and accounting procedures; (ii) selection criteria for the engagement of vocational/technical training institutions and selection of program to be established, improved or upgraded; as well as (iii) the basic terms and conditions of the memoranda of understanding to be entered with the selected institutions; as said guidelines may be amended from time to time with the approval of the Association.
24. “Stipends/Relocations Allowances” means, collectively, the payments made on a monthly basis by BBSYDP to Trainees in the amount of, approximately: (i) Pakistan Rupees two thousand five hundred (PKR2,500) per individual, subject to such person’s enrollment and required attendance of a training course offered by a Training Provider; and (ii) Pakistan Rupees four thousand (PKR4,000) per individual for those Trainees that need to relocate more than seventy-five kilometers (75 km) from their hometown in order to attend the training courses as such amounts and conditions may be revised from time to

time by the Project Implementing Entity subject to the prior concurrence of the Association.

25. “Sub-Category” means, individually, any of the sub-categories (a) through (d) of Category (2), as set forth in the table in Section IV of Schedule 3 to this Agreement.
26. “Sub-grants” means the economically reasonable amounts to be disbursed by BBSYDP to Training Providers selected pursuant to paragraph 2 of Section I.C of the Schedule to the Project Agreement, and awarded to such Training Providers under the terms and conditions set forth in the Sub-grant Agreement.
27. “Sub-grant Agreements” means the performance-based agreements for the provision of Sub-grants, to be entered into by and between the Project Implementing Entity, acting through BBSYDP, and a public Training Provider in accordance with the terms and conditions satisfactory to the Association, including those set forth in paragraph 4 of Section I.C. of the Schedule to the Project Agreement
28. “Trainees” means: (i) semi-literate 18 to 35 year old persons with 10 years of schooling or less; and/or (ii) unemployed or underemployed youth, recently graduated and in transitioning from school to the labor market; all of them residing in the Province of Sindh, and selected to participate in BBSYDP’s short-term training in accordance with the procedures and criteria set forth in the Operations Manual.
29. “Training and Workshops” means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient or –subject to the prior approval by the Association– attended abroad by the officials and staff of BBSYDP and/or STEVTA and STEVTA administered institutions in connection with the Project, including the purchase and publication of materials, rental of facilities, course fees and travel and subsistence of trainees.
30. “Training Providers” means the duly qualified individuals, government agencies or legal entities selected in accordance with the criteria set forth in the Operations Manual, and who/which have entered into Sub-grant Agreements or service contracts with the Project Implementing Entity, acting through BBSYDP, in order to impart vocational training to Trainees.