
CREDIT NUMBER 6270-PK.

Financing Agreement

(Khyber Pass Economic Corridor Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6270-PK

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date 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) 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.
- 1.03. Capitalized terms in *italics* refer to names of places in the Recipient’s territory.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to three hundred and twenty million and three hundred thousand Special Drawing Rights (SDR 320,300,000) (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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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 The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.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 April 1 and October 1 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 objective 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Event Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity, and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. 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 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 Economic Affairs Division of the Ministry of Finance, Revenue and Economic Affairs, each such person acting individually.
- 5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:

Economic Affairs Division
Ministry of Finance, Revenue and Economic Affairs
Islamabad
Pakistan

and

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
+92-51-910-4016	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) @worldbank.org	1-202-477-6391	CMUPakistan

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF PAKISTAN

By



Authorized Representative

Name: Syed Pervaiz Abbas

Title: Secretary

Date: 13-Dec-2019

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Patchamuthu Illangovan

Title: Country Director

Date: 12-Dec-2019

SCHEDULE 1

Project Description

The objective of the Project is to expand economic activity between Pakistan and Afghanistan, by improving regional connectivity and promoting private sector development along the *Khyber Pass Corridor*.

The Project consists of the following parts:

Part 1. Expressway Development

- (a) (i) Detailed design and construction (with supervision and monitoring) of a four-lane dual-expressway and associated road-user and administrative infrastructure facilities between *Torkham* and *Peshawar*, including carriageway and shoulders; (ii) laying of fiber optic cables in trenches along the Expressway; and (iii) afforestation along the Expressway; and
- (b) Carrying out of feasibility and other studies for road and economic development.

Part 2. Development of the *Khyber Pass Economic Corridor*

- (a) Provision of technical assistance for:
 - (i) the development of a spatial master plan for the Western Greater *Peshawar* which will institute structures and processes for: (A) coordinating development activities between federal, provincial, bilateral, multilateral and private-sector stakeholders; (B) prioritizing investments in public infrastructure and building the capacity of the FATA Urban Policy and Planning Unit; (C) identifying key policy, regulatory, administrative and institutional barriers to private sector development in Western Greater *Peshawar* and to trade through the *Khyber Pass*, including undertaking a risk and resilience assessment and an assessment of the PPP framework in *FATA*; and (D) identifying economic opportunities for micro-enterprises;
 - (ii) the carrying out of feasibility studies and development of engineering design for prioritized activities included in the Recipient's plan entitled "Geo-Referenced Local Master Plan (2017)", such as: (A) an integrated logistics hub and industrial and commercial infrastructure to support SME development in viable locations in Western Greater *Peshawar*; (B) branch roads connecting the Expressway to the local and national road networks; (C) parking terminals and initiatives to reduce transport/transit cost and time and the implementation of the "TIR" (Transports Internationaux Routiers) legal scheme; (D) activities to develop the urban centers of *Jamrud* and *Landi Kotal*; (E) an international bus terminal to service buses traveling between Afghanistan and Pakistan;
 - (iii) the carrying out of impact evaluation studies; and

- (iv) the development and implementation of a program of activities to:
 - (A) document, preserve, and promote the cultural heritage of the *Khyber Pass* and develop mechanisms to leverage this cultural heritage for economic development; (B) identify sites of cultural and historical significance; and (C) develop and promote sites and products of special cultural and/or historical interest;
- (b) Construction of infrastructure and institutional strengthening to promote the integration of local producers into global value chains. Subject to the results of the prefeasibility studies carried out and engineering design developed under Part 2(a)(ii) of the Project:
 - (i) construction of local road infrastructure and urban development, including rest areas with special facilities for women along the Expressway and connecting roads;
 - (ii) development of sites of special cultural, historical and tourist value;
 - (iii) implementation of traffic management mechanisms for the Recipient's national road N-5 (existing *Peshawar Torkham* road);
 - (iv) development of an integrated logistics hub and industrial/commercial infrastructure in viable locations in Western Greater *Peshawar* (in partnership with private sector actors when appropriate);
 - (v) construction and/or upgrading of roads to ensure connectivity between the Expressway, urban centers in Western Greater *Peshawar* and *Aza Khael Dry Port*; and
 - (vi) construction of an international bus terminal to connect bus services to/from Afghanistan, the *Peshawar* Bus Rapid Transit system, and domestic bus services.

Part 3. Project Management

Provision of support for implementation and management of the Project and capacity building for the Project Implementing Entity.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. **Subsidiary Agreement**

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 a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association (“Subsidiary Agreement”).
2. The terms and conditions of the Subsidiary Agreement shall include the following:
 - (a) the subsidiary loan amount, equivalent to the amount of the Financing, denominated in Pakistan Rupees (the “Subsidiary Loan”);
 - (b) the right of the Project Implementing Entity to withdraw the proceeds of the Financing on behalf of the Recipient; it being understood that such provision will not dispense the Recipient from providing an Authorized Signatory Letter to the Association on the basis of the model attached to the Disbursement and Financial Information Letter. The proceeds so withdrawn shall be considered to have been withdrawn by the Recipient;
 - (c) the Project Implementing Entity’s obligation to: (i) pay to the Recipient an amount in Pakistan Rupees equal to the Commitment Charge determined by the Association pursuant to Section 2.03 of this Agreement and Section 3.02 of the General Conditions; (ii) pay directly to the Association all repayments of the principal of the Subsidiary Loan in Pakistan Rupees in accordance with the Repayment Schedule in Schedule 3 to this Agreement; and (iii) pay an interest on the principal amount of the Subsidiary Loan withdrawn and outstanding from time to time, at a rate agreed between the Recipient and the Project Implementing Entity, and acceptable to the Association, as per the re-lending policies of the Recipient, which rates (other than those charges in case of default) shall in no case exceed twelve percent (12%) per annum, unless otherwise agreed between the Recipient and the Association;
 - (d) the Recipient’s and the Project Implementing Entity’s understandings and arrangements for the flow of funds, including disbursement protocols, supporting evidence and any reporting requirements therefor;
 - (e) the Recipient’s right to suspend or terminate the Subsidiary Agreement, and/or accelerate the re-payment/recovery of any outstanding amounts withdrawn thereunder, upon (i) the Project Implementing Entity’s failure to perform its obligations under the Subsidiary Agreement, and/or the Project Agreement, as the case may be; or (ii) the Association’s exercising

any of the remedies under Article VII of the General Conditions, and/or the Procurement Regulations and/or the Anti-corruption Guidelines.

3. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. Safeguards

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Association Policies, as well as the Recipient's, FATA's and KP's own laws relating to the environment and social aspects relevant to the Project.
2. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that
 - (i) the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents. In particular, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
 - (a) for each activity under the Project of a type for which the Environmental and Social Management Framework for Part 2 of the Project provides that an Environmental and Social Management Plan for Part 2 of the Project should be prepared, such Environmental and Social Management Plan for Part 2 of the Project, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Environmental and Social Management Framework for Part 2 of the Project, and the relevant activity is implemented in accordance with its Environmental and Social Management Plan for Part 2 of the Project;
 - (b)
 - (i) for each activity under the Project of a type for which the Resettlement Policy Framework for Part 2 of the Project provides that a Resettlement Action Plan for Part 2 of the Project should be prepared, such Resettlement Action Plan for Part 2 of the Project, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Resettlement Policy Framework for Part 2 of the Project, and the relevant activity is implemented in accordance with its Resettlement Action Plan for Part 2 of the Project.
 - (ii) Without limitation to the generality of the foregoing provisions in subparagraph (i) immediately above, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that, prior to commencing any works under the Project: (A) all necessary governmental permits and

clearances for such civil works shall have been obtained from the competent governmental authority/ies; (B) all pre-construction conditions imposed by the governmental authority/ies under such permit(s) or clearance(s) shall have been complied with/fulfilled; and (C) all resettlement measures for the respective civil works set forth in the applicable Resettlement Action Plan for Part 1 of the Project or Resettlement Action Plan for Part 2 of the Project, as the case may be, shall have been fully executed, including the full payment of compensation prior to displacement and/or the provision of relocation assistance to all Displaced Persons, as per the entitlements provided in the Resettlement Policy Framework for Part 2 of the Project and/or the applicable Resettlement Action Plan for Part 1 of the Project or Resettlement Action Plan for Part 2 of the Project, as the case may be; and

- (c) any contracts for civil works under the Project include codes of conduct in form and substance acceptable to the Association, detailing measures on environment, health and safety and preventing and responding to HIV/AIDS, gender-based violence, and violence against children.
3. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall ensure that the Project Implementing Entity shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor permit any entity participating in the implementation of the Project to do so.
 4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall ensure that the Project Implementing Entity regularly collects, compiles and submits to the Association, on a semi-annual basis and promptly in a separate report whenever the circumstances warrant, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.
 5. The Recipient shall ensure that the Project Implementing Entity maintains and operates throughout the period of Project implementation, a grievance redress mechanism for the handling of any stakeholder complaints arising out of the implementation of the Project activities.
 6. If any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

C. Counterpart Funds

Without limitation to the provisions of Section 5.03 of the General Conditions, the Recipient shall provide an amount of not less than the equivalent of twenty-two million one hundred and fifty thousand Dollars (\$22,150,000) as counterpart funds for the Project.

D. Project Operations Manual

The Recipient shall cause the Project Implementing Entity to prepare, adopt and thereafter comply with the provisions of the Project Operations Manual, all in accordance with the provisions of Section I.D of the Schedule to the Project Agreement.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish, or cause the Project Implementing Entity to 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.

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:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Incremental Operating Costs and Training for Parts 1 and 3 of the Project, but expressly excluding Land Expenditures and expenditures related to security during construction	270,231,000	100%
2) Goods, works, non-consulting services, and consulting services, and Training, for Part 2 of the Project, but expressly excluding Land Expenditures and expenditures related to security during construction	50,069,000	100%
TOTAL AMOUNT	320,300,000	

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 that withdrawals up to an aggregate amount not to exceed SDR 64,060,000 may be made for payments made prior to this date but on or after August 1, 2017, for Eligible Expenditures; or
 - (b) under Category 2 until the Project Operation Manual has been prepared and adopted by the Project Implementing Entity in form and substance acceptable to the Association, in accordance with the provisions of Section I.D of the Schedule to the Project Agreement.
2. The Closing Date is June 28, 2024.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1:	
commencing October 1, 2023 to and including April 1, 2043	1.65%
commencing October 1, 2043 to and including April 1, 2048	3.40%

* 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. “Afghanistan” means the Islamic Republic of Afghanistan.
2. “Annual Work Plans and Budgets” means the annual work plans and budgets (including related cash forecasts) for the implementation of the Project prepared by the Project Implementing Entity and approved by the Association, in accordance with the provisions of Section I.E of the Schedule to the Project Agreement.
3. “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.
4. “Association Policies” means the operational policies and procedures OP/BP 4.01 (Environmental Assessment), OP/BP 4.11 (Physical Cultural Resources), and OP/BP 4.12 (Involuntary Resettlement), contained in the Association’s Operational Manual which can be found on the Association’s website at www.worldbank.org; and a “Association Policy” means the Association’s operational policy and procedure as further specified in the relevant provision.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “Displaced Persons” means any persons who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction or access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.
7. “EAD” means the Economic Affairs Division of the Recipient’s Ministry of Finance, Revenue and Economic Affairs, or any successor thereto.
8. “Environment and Social Management Framework for Part 2 of the Project” means the document entitled “Peshawar-Torkham Economic Corridor Project - Environment Management Framework for Component 2 - Allied Facilities Along the Peshawar-Torkham Expressway” and dated January 21, 2018, prepared by FATA with respect to Part 2 of the Project which identifies the screening criteria for the evaluation of the environmental and social impact of activities to be carried out under Part 2 of the Project and which provides guidance and recommendations

for the mitigation and monitoring of such impacts, including an Environmental Management Plan addressing typical environmental impacts expected to result from the implementation of potential Sub-projects and risks of gender-based violence and sexual exploitation and abuse; and “Environment and Social Management Framework for Part 2 of the Project” includes all attachment and annexes thereto.

9. “Environmental and Social Management Plan for Part 1 of the Project” means the Project Implementing Entity’s document entitled “Peshawar-Torkham Economic Corridor Project - Environmental and Social Impact Assessment for Peshawar – Torkham Expressway (Component I)” and dated October 2017 and updated in March 2018, containing guidelines, recommendations and procedures to assess and mitigate the environmental and social impacts of activities under Part 1 of the Project (including risks of gender-based violence and sexual exploitation and abuse), including a resettlement action plan, an environmental management plan and a social management plan (including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse), a budget for their implementation and a grievance redress mechanism; and “Environment and Social Management Framework for Part 1 of the Project” includes all attachment and annexes thereto.
10. “Environmental Management Plan for Part 2 of the Project” means a document which may be prepared by the Project Implementing Entity with respect to specific activities under Part 2 of the Project in accordance with the provisions of the Environment and Social Management Framework for Part 2 of the Project, which describes the mitigation measures to be implemented to mitigate the specific environmental impact of such activity (including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse); and “Environmental Management Plan for Part 2 of the Project” includes all attachment and annexes thereto.
11. “Expressway” means the four-lane dual-expressway to be designed and constructed under Part 1(a)(i) of the Project.
12. “FATA” means the Recipient’s Federally Administered Tribal Areas, or any successor thereto.
13. “FATA ACS” means the Additional Chief Secretary of FATA.
14. “FATA Secretariat” means the local administration for FATA.
15. “FATA Urban Policy and Planning Unit” means the urban policy unit established in the Planning and Development Department of the FATA Secretariat.

16. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated July 14, 2017.
17. “HIV/AIDS” means human immunodeficiency virus infection and acquired immune deficiency syndrome.
18. “Incremental Operating Costs” means the incremental operating costs of the Project incurred by the Project Implementing Entity for purposes of Project management, implementation, and monitoring and evaluation on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, office space rental, building and equipment maintenance, domestic and international travel, lodging, and subsistence allowances, and salaries and salary supplements of contractual and temporary staff, but excluding salaries, salary supplements and overheads of members of the Recipient’s, FATA’s or KP’s civil service.
19. “KP” means the Province *Khyber Pakhtunkhwa*, or any successor thereto.
20. “Secretary P&DD KP” means the Secretary of the Planning and Development Department of the Government of *Khyber Pakhtunkhwa*, or any successor thereto.
21. “Land Expenditures” means land expenditures (including compensation for land acquisition related to implementation of a resettlement instrument) or cash compensation and other assistance paid in cash for involuntary resettlement.
22. “MoC” means the Recipient’s ministry at the time responsible for communications.
23. “NHA” means the Recipient’s National Highways Authority, or any successor thereto with respect to which the Association has confirmed in writing that it is acceptable for the purpose of the Project.
24. “Pakistan” means the Recipient.
25. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017.
26. “Project Agreement” means the Project Agreement between the Association and the Project Implementing Entity with respect to the implementation of the Project.
27. “Project Implementing Entity” means NHA.

28. “Project Implementation Unit” means the unit to be established by the Project Implementing Entity in accordance with the provisions of Section I.A.2(a) of the Schedule to the Project Agreement.
29. “Project Operations Manual” means the manual to be prepared and adopted by the Project Implementing Entity in accordance with the provisions of Section I.D of the Schedule to the Project Agreement.
30. “PPP” means public private partnership.
31. “Project Steering Committee” means the committee to be established for the Project in accordance with Section I.A.1 of the Schedule to the Project Agreement.
32. “Resettlement Action Plan for Part 1 of the Project” means the document entitled “Resettlement Action Plan - Component 1 - Peshawar – Torkham Expressway Corridor Project (P159577)” dated October 2017, identifying Displaced Persons on account of implementation of activities under Part 1 of the Project, and setting forth the terms and conditions for providing them with resettlement assistance and/or compensation, as well as the procedures to be applied in the identification, assessment and mitigation of potential Project related social impacts, including the protocols for consultation, the processing of complaints and grievance redress, monitoring and reporting requirements, and the Displaced Persons’ entitlement schedules; and “Resettlement Action Plan for Part 2 of the Project” includes all attachment and annexes thereto.
33. “Resettlement Action Plan for Part 2 of the Project” means a document which may be prepared or caused to be prepared by the Recipient with respect to specific activities under Part 2 of the Project in accordance with the provisions of the Resettlement Policy Framework for Part 2 of the Project, identifying Displaced Persons on account of implementation of Project activities, and setting forth the terms and conditions for providing them with resettlement assistance and/or compensation, as well as the procedures to be applied in the identification, assessment and mitigation of potential Project related social impacts, including the protocols for consultation, the processing of complaints and grievance redress, monitoring and reporting requirements, and the Displaced Persons’ entitlement schedules; and “Resettlement Action Plan for Part 2 of the Project” includes all attachment and annexes thereto.
34. “Resettlement Policy Framework for Part 2 of the Project” means FATA’s document entitled “Peshawar-Torkham Expressway Corridor Project (Component II- Economic Corridor Development) - Resettlement Policy Framework” dated January 2018, with respect to Part 2 of the Project, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, including a budget and a grievance redress mechanism; and “Resettlement Policy Framework for Part 2 of the Project” includes all attachment and annexes thereto.

35. “Safeguard Documents” means, collectively, the Environmental and Social Management Plan for Part 1 of the Project, the Resettlement Action Plan for Part 1 of the Project, the Environment and Social Management Framework for Part 2 of the Project, the Resettlement Policy Framework for Part 2 of the Project and the Social Management Framework for Part 2 of the Project; as well as the Resettlement Action Plans for Part 2 of the Project which may be prepared for specific Project activities in accordance with the provisions of the Resettlement Policy Framework for Part 2 of the Project, and the Environmental Management Plans for Part 2 of the Project which may be prepared for specific Project activities in accordance with the provisions of the Environmental and Social Management Framework for Part 2 of the Project, if any.
36. “SAFRON” means the Recipient’s Ministry of States and Frontier Regions, or any successor thereto.
37. “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.
38. “SME” means small and medium enterprises.
39. “Social Management Framework for Part 2 of the Project” means the document entitled “Peshawar Torkham Economic Corridor Project (Component II) – Social Management Framework” prepared for the Project and dated January 2018, which (i) provides guidance on resettlement issues, citizen engagement processes, inclusion of marginalized groups, management of labor issues and other social aspects, (ii) formulates social safeguard principles, and (iii) provides technical guidelines to identify impacts, prepare safeguard plans and devise mitigation measures to address adverse social impacts of the Project focusing on stakeholders engagement, gender, labor and other social issues.
40. “Training” means the reasonable costs of training under the Project, based on the annual work plans and budgets referred to in Section I.E of the Schedule to the Project Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with domestic and international 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 course preparation and implementation.
41. “Western Greater *Peshawar*” means the urban and peri-urban area west of *Peshawar*.