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**CREDIT NUMBER 4437-PK**

# **Financing Agreement**

**(Water Sector Capacity Building and Advisory Services Project)**

**between**

**ISLAMIC REPUBLIC OF PAKISTAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated July 14, 2008**



**CREDIT NUMBER 4437-PK**

**FINANCING AGREEMENT**

AGREEMENT dated July 14, 2008, 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 twenty three million four hundred thousand Special Drawing Rights (SDR 23,400,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollars.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through:
- (a) MoWP, for purposes of Parts A.1 and C of the Project;
  - (b) IRSA for purposes of Part A.2 of the Project;
  - (c) IPDF for purposes of Part A.3 of the Project;
  - (d) Planning Commission for purposes of Part A.4 of the Project; and
  - (e) WAPDA for purposes of Part B of the Project;
- all, in accordance with the provisions of Article IV of the General Conditions.
- 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 — TERMINATION**

- 4.01. The Effectiveness Deadline is the date ninety (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 of the Economic Affairs Division, Ministry of Economic Affairs and Statistics, and/or any of the Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer in that Division, acting individually.

5.02. The Recipient's Address is:

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

Phone: 92-51-9210629      Facsimile: 92-51-9218976

5.03. The Association's Address is:

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

Cable: INDEVAS      Telex: 248423 (MCI)      Facsimile: 1-202-477-6391  
Washington, D.C.

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

ISLAMIC REPUBLIC OF PAKISTAN

By

/s/ Junaid Iqbal Ch.  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Yusupha B. Crookes  
Authorized Representative

## SCHEDULE 1

### Project Description

The objective of the Project is to improve the Recipient's management and investment planning of water resources in the Indus River system.

The Project consists of the following parts:

#### Part A: Capacity Building and Support of Federal Institutions in Water Resources Planning and Management

1. Strengthening the capacity of MoWP to coordinate and foster the overall development of the institutional and regulatory framework of the Indus River system, including *inter alia*: (i) the assessment, review and/or development of water resources regulation, policies and planning processes; (ii) the design of studies and policies for benefit-sharing among stakeholders and the implementation thereof through trusted water entitlements; (iii) the carrying out of studies on, and action plans for, asset development, ownership and operation; (iv) the carrying out of studies on the Recipient's implementation of national resettlement action plans and international best practices, in order to improve the national resettlement policy and to prepare a handbook for the design of future project-specific plans; (v) the carrying out of a strategic sectoral environmental and social assessment of the Indus River basin; (vi) the development of a strategy for enhancing productivity of water use, and the commissioning of studies on improvements in irrigation efficiency; and (vii) the strengthening of knowledge on groundwater availability and management.
2. Strengthening the capacity of IRSA to perform the role envisaged in the 1991 Water Apportionment Accord, through, *inter alia*: (i) the establishment of digital and GIS based databases with capability to integrate satellite images, and the development of management information systems with web-based interfaces providing access to information to all stakeholders, including the general public; (ii) the carrying out of studies and/or development of tools for improving seasonal, monthly, and ten-day water inflow forecasts; (iii) the assessment of possible scenarios for water requirements and demands by various sectors and provinces; (iv) the development and/or improvement of tools and models for simulation and optimization of operation and management of water resources of the Indus River system, including the update and enhancement of the Indus Basin Model; (v) the establishment of water flow measurement systems to improve water auditing; and (vi) the strengthening of the institution and regulatory framework of the Indus River system through strategic staffing.

3. Strengthening the capacity of IPDF to develop financing strategies for water sector programs and hydropower infrastructure and to provide advice to the Recipient on financial, fiscal, legal and regulatory matters, including *inter alia*: (i) the review of medium-term investment programs and the identification of financing strategies, including areas of potential interest for the private sector participation; (ii) the review of the institutional, legal and administrative framework for the financing of water infrastructure and the design of proposals for upgrading based on international best practices; (iii) the development potential modalities for private-public partnerships in the sector; (iv) the proposal of a medium-term financial strategy; and (v) the design of policies addressing the role of public sector in capital investments, benefit-sharing strategies, and private sector support.
4. Carrying out feasibility studies for small dams.

Part B: Improvement in Water Resources Management and Development in WAPDA

Strengthening the capacity of WAPDA to carry out its institutional mandate, though, *inter alia*: (i) the development and/or upgrade of tools, databases, planning and operational models, and management systems (including stakeholders interfaces) for the Indus River basin, and operationalization thereof, for purposes of water and power sector planning and administration, and the transfer of responsibilities to IRSA and/or devolution to sectoral provincial institutions; (ii) the carrying out of sediment management studies, downstream impact and upstream development of water storage facilities, and feasibility level designs of sediment flushing facilities, including bathymetric surveys of major reservoirs; (iii) the preparation of a power investment plan focusing on hydropower and water storages development, the conjunctive operation of dams, and the development of management and safety monitoring plans for major infrastructure; and (iv) the preparation of feasibility studies for small hydropower projects consistent with internationally accepted safeguard standards.

Part C: Project Management and Additional Studies

Strengthening the institutional capacity of the PMPIU, IRSA and IPDF for: (i) the day-to-day implementation of the Project, including the technical coordination of Project activities, compliance with financial and procurement management, and monitoring, evaluation, supervision and reporting requirements; and (ii) the carrying out of strategic studies, training and workshops in the areas of design of water/power infrastructure, construction codes and standards, power planning, water quality, contract administration/management and supervision, sector-related legal, environmental, social concerns, including the promotion of a center of excellence for post graduate training in research, study tours and short term international assignments for young staff.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Recipient shall establish, and thereafter maintain throughout the implementation of the Project:
  - (a) an inter-agency Project Steering Committee (PSC), chaired by the Secretary of MoWP, and comprised of the Secretaries of MoF, MINFAL and MoE, a member of the Planning Commission, the Chairmen of IRSA and WAPDA, the Chief Executive of IPDF, the Secretary of the Privatization Commission, the Advisor to MoWP, Project Director of the PMPIU, and the Provincial Secretaries of Irrigation and Power; which steering committee shall be assigned with such functions, powers, resources and competencies, satisfactory to the Association, as shall be required for the overall policy guidance and general oversight of Project implementation; and
  - (b) a Project Management and Policy Implementation Unit (PMPIU) within the MoWP, vested with the responsibility of the daily management and coordination of Project fiduciary obligations in cooperation with WAPDA, IPDF, the Planning Commission and IRSA. The PMPIU shall be: (i) headed by a Project Director (who shall also serve as the Secretary to the Steering Committee), assisted by, *inter alia*, a procurement specialist, finance and business specialists, and an accountant/administrative officer, all of whose qualification and experience shall be acceptable to the Association and under terms of reference satisfactory to the Association; and (ii) assigned with such functions, powers, resources, and competencies, satisfactory to the Association, as shall be required to achieve its purposes.
2. The Recipient shall ensure that each of IRSA, WAPDA, the Planning Commission and IPDF designate one (1) or more technical officers, with skill and experience and terms of reference acceptable to the Association, to serve as liaison officer(s) with the PMPIU and in-house focal person(s) for purposes of the implementation of the respective agencies components and sub-components.
3. The Recipient shall and/or shall cause IRSA, WAPDA, the Planning Commission and IPDF to implement the Project in accordance with the Standard Operating Procedures and the Procurement Manual, and except as the Association shall otherwise agree, shall not amend, abrogate, waive, suspend, or allow IRSA,



Planning Commission, WAPDA or IPDF to amend, abrogate, waive or suspend any provisions thereof, whether in whole or in part, if in the opinion of the Association, such amendment, abrogation, waiver or suspension may materially and adversely affect the implementation of the Project.

**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 take all actions necessary to prevent any involuntary loss by persons of shelter, productive assets, or access to productive assets, or income or means of livelihood, temporarily or permanently due to works, if any, under the Project.

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

**A. Project Reports and Monitoring and Evaluation Consultant**

1. The Recipient shall monitor and evaluate, and/or cause IRSA, WAPDA and IPDF to monitor and evaluate the progress of the activities under the Project and prepare Project Reports thereon 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 one (1) calendar quarter, and shall be furnished to the Association not later than three (3) weeks after the end of the period covered by such report.
2. Notwithstanding the provisions of paragraphs (1) above, the Recipient undertakes to:
  - (a) prepare, in a manner satisfactory to the Association, and furnish to the Association and the Project Steering Committee, by no later than April 30 of each year, an annual Project Report integrating:
    - (i) the Project Reports prepared under paragraph (1) above, covering *inter alia*, the progress achieved in Project implementation by component and sub-component, the implementation of key features of strategies and studies, the status of key performance indicators and operation of project facilities; and
    - (ii) a draft annual work program for the following fiscal year, which program shall identify the budgetary needs, sources and uses

funds, an updated Project disbursement profile, any mitigating actions planned to minimize the negative effects derived from construction works, and the targeted indicators for the fiscal year covered by the program;

- (b) finalize the annual work program referred to in subparagraph (a)(ii) above, taking into consideration the comments and guidance provided by the Association and the Project Steering Committee, and obtain the approval of the Project Steering Committee by no later than May 31, each year; and
  - (c) thereafter, implement the Project during the following fiscal year in accordance with the approved annual work program.
3. Notwithstanding the provisions of paragraph (1) and (2) above, the Recipient shall:
- (a) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, by no later than April 30, 2010, a mid-term review report integrating the results of the monitoring and evaluation activities performed pursuant to paragraphs (1) and (2) above, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
  - (b) review with the Association, by May 31, 2010, or such later date as the Association shall request, the mid-term review report referred in subparagraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, base on the conclusions and recommendations of the said report and the Association's views on the matter.

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

- 1. The Recipient shall maintain, and cause each of IPDF, IRSA and WAPDA to maintain, 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, and/or cause each of IPDF, IRSA and WAPDA to prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim un-audited financial reports

for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have consolidated Financial Statements for the Project's operations resources and expenditures in accordance with Section 4.09(a) (including those pertaining to IRSA, IPDF and WAPDA), and audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the consolidated Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

### **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. **Definitions.** 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:

<b>Procurement Method</b>	
(a)	National Competitive Bidding <i>(subject to the additional procedures set forth in the attachment to this Schedule)</i>
(b)	Direct Contracting
(c)	Shopping

**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.

<b>Procurement Method</b>	
(a)	Selection Based on Consultants' Qualifications
(b)	Single-source Selection
(c)	Quality-base Selection
(d)	Least Cost Selection
(e)	Fixed Budget Selection
(f)	Selection of UN Agencies pursuant to Section 3.15 to provide technical assistance and advice in their area of expertise
(g)	Individual Consultants

**D. Review by the Association of Procurement Decisions**

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods and works procured under International Competitive Bidding or Direct Contracting; (b) the first contracts for goods and works procured on the basis of National Competitive Bidding, irrespective of its value and awarded by each of the Recipients, IPDF, IRSA and WAPDA, and, thereafter, all contracts for works estimated to cost USD300,000 equivalent or more procured on the basis of National Competitive Bidding; (c) the first contract

for goods and works procured on the basis of Shopping by each of the Recipient, IPDF, IRSA and WAPDA; (d) the first contract for consultants' services provided by a firm, irrespective of its value awarded by each of the Recipient, IPDF, IRSA and WAPDA and, thereafter, each contract for consultants' services provided by a firm estimated to cost the equivalent of USD100,000 or more; (e) each contract for consultants' services provided awarded on the basis of Single Source Selection; and (f) the first contract for consultants' services provided by an individual consultant, irrespective of its value, awarded by each of the Recipient, IPDF, IRSA and WAPDA, and, thereafter, each contract for individual consultants estimated to cost the equivalent of USD50,000 or more. All other contracts shall be subject to Post Review by the Association.

**E. Procurement Risk Management**

1. The Recipient shall vest all procurement responsibilities in respect of:
  - (a) Parts A and C of the Project in the PMPIU; and
  - (b) Part B of the Project in WAPDA.
2. The Recipient ensures that, by no later than March 31, 2009, procurement documentation and record keeping systems, including a public website showing the status of procurement of various contracts (including status of evaluation, complaints and actions taken, contract awards and contract performance) shall be established and made fully operational by the PMPIU, in a manner acceptable to the Association. The Recipient further undertakes to maintain, and to cause WAPDA to cooperate in the maintenance of, such systems and website updated and operational throughout the period of implementation of the Project.
3. The Recipient shall set up, by no later than March 31, 2009, and thereafter maintain throughout the period of implementation of the Project, a system for the handling of procurement complaints, in a manner acceptable to the Association, under the supervision of the Project Steering Committee, which system shall include, *inter alia*, the maintenance of a complaint database, a standard protocol setting forth triggers for carrying out investigations, a sanctions regime. The system shall apply to complaints in respect of both WAPDA's and the PMPIU's procurement decisions. For procurement done through International Competitive Bidding, the Association's prescribed complaint redress mechanism will apply.

**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:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods and works under:		100%
(a) Part A.1 and C of the Project	250,000	
(b) Part A.2 of the Project	1,230,000	
(c) Part B of the Project	190,000	
(2) Consultants’ services:		100%
(a) under Part A of the Project	6,150,000	
(b) under Part B(i) of the Project	620,000	
(c) under Part B(ii), B(iii) and B(iv) of the Project	9,210,000	
(d) Under Part C of the Project	1,250,000	
(3) Incremental Operating Costs:		100%
(a) under Part A of the Project.	370,000	
(b) under Part B of the Project	370,000	
(c) under Part C of the Project	250,000	
(4) Training and Workshops	310,000	100%
(5) Unallocated	3,200,000	
<b>TOTAL AMOUNT</b>	<b>23,400,000</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 except that withdrawals up to an aggregate amount not to exceed SDR 1,230,000 equivalent may be made for payments made prior to this date but on or after April 1, 2008, for Eligible Expenditures.
2. The Closing Date is February 28, 2014.

**ATTACHMENT  
TO  
SCHEDULE 2**

**Improvement of Bidding Procedures under  
National Competitive Bidding**

The following improvements in bidding procedures will apply to all procurements of Goods and Works under National Competitive Bidding, in order to ensure economy, efficiency, transparency and broad consistency with the provisions of Section 1 of the Guidelines:

- (i) invitation to bid shall be advertised in at least one 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 price preference as per the Procurement Guidelines shall apply 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) bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Association;
- (viii) before rejecting all bids and soliciting new bids, the Association's prior concurrence shall be obtained;
- (ix) bids shall be solicited and works contracts shall be awarded on the basis of unit prices and not on the basis of a composite schedule of rates;
- (x) contracts shall not be awarded on the basis of prior negotiated rates;
- (xi) single bid shall also be considered for award;
- (xii) contracts shall be awarded to the lowest evaluated and qualified bidder;



- (xiii) post-bidding price negotiations shall not be allowed with the lowest evaluated or any other bidders;
- (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 accounts and records relating to the performance of the contract and to have said accounts 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.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each March 15 and September 15:	
commencing September 15, 2018, to and including March 15, 2028	1.25%
commencing September 15, 2028, to and including March 15, 2043	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.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Association in May 2004, and revised in October 2006.
4. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005, (as amended through October 15, 2006).
5. “GIS” means a geographic information system integrating software and hardware for capturing, managing, analyzing and displaying geographically referenced information.
6. “Incremental Operating Costs” means the reasonable costs of the incremental expenditures incurred by the Recipient, IPDF, IRSA and/or WAPDA in relation to the Project, which expenditures would not have been incurred absent the Project, including, *inter alia*: (i) office rental; (ii) vehicles rental, operation and maintenance; (iii) in-country travel allowance for the PMPIU staff; (iv) banking services and insurance costs; (v) advertisement, communication and dissemination expenses; (vi) translation and printing costs; (vii) utilities fees and security costs; and (viii) salaries, allowances and other emoluments of incremental Project staff. However, the term “Incremental Operating Costs” does not include salaries or salary supplements of the Recipient’s civil servants and/or WAPDA’s staff.
7. “Indus Basin Model” means the Indus Basin Model (Revised) developed by WAPDA.
8. “IPDF” means the Recipient’s Infrastructure Project Development Facility, a State-owned non-for-profit corporation, established and operating pursuant to Section 42 of the Companies Ordinance (1984), registered with the Securities and Exchange Commission of Pakistan, under Registration number 0055489, dated May 5, 2006, with the mandate of promoting public and private partnerships for investment in and development of public infrastructure, and any successor thereto.

9. “IRSA” means the Recipient’s Indus River System Agency, i.e. the authority responsible for the regulation and distribution of surface waters among the Recipient’s provinces pursuant to the Water Apportionment Accord of 1991, and any successor thereto.
10. “MoE” means the Recipient’s Ministry of Environment, and any successor thereto.
11. “MoF” means the Recipient’s Ministry of Finance, and any successor thereto.
12. “MINFAL” means the Recipient’s Ministry of Food, Agriculture and Livestock, and any successor thereto.
13. “MoWP” means the Recipient’s Ministry of Water and Power, and any successor thereto.
14. “Planning Commission” means the commission established under the chairmanship of the Prime Minister, and any successor thereto.
15. “PMPIU” means the Project management and policy implementation unit to be established by the Recipient within the MoWP pursuant to Section A.1(b) of Schedule 2 to this Agreement.
16. “Privatization Commission” means the commission established within the Recipient’s Ministry of Privatization, which commission is responsible for the privatization of public assets, and any successor thereto.
17. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Association in May 2004 and revised in October, 2006.
18. “Procurement Manual” means the manual dated May 12, 2008, prepared by the PMPIU in terms and manner satisfactory to the Association, and adopted by the Recipient and WAPDA for the implementation of the Project; which manual shall set forth, *inter alia*: (i) the processing and approval procedures to be followed by WAPDA and the PMPIU in the procurement of goods, works and services under the Project; (ii) the allocation of procurement responsibilities, including the constitution of evaluations committees and designation of appointing authorities; and (iii) the timeframe and criteria for procurement approvals/reviews.
19. “Procurement Plan” means, individually, each of the Recipient and WAPDA’s procurement plan for the Project, dated May 12, 2008, 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.

20. “Standard Operating Procedures” means the procedural guidelines to be approved by July 31, 2008, by the Recipient and adopted by the Recipient, IPDF, WAPDA, the Planning Commission and IRSA, for the standardization of financial management of contracts payments and settlements, the protocols for the withdrawals of funds, and internal control mechanisms.
21. “WAPDA” means the Recipient’s Water and Power Development Agency, established and existing under the Water and Power Development Act (1958) as amended from time to time, and any successor thereto.
22. “Water Apportionment Accord (1991)” means the agreement (accord) entered in 1991 among the provinces of the Recipient for the allocation and management of water resources of the Indus River System among the provinces.