
CREDIT NUMBER 6456-PK

Financing Agreement

(Khyber Pakhtunkhwa Irrigated-Agriculture Improvement Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6456-PK

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between ISLAMIC REPUBLIC OF PAKISTAN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred twenty three million four hundred thousand Special Drawing Rights (SDR 123,400,000) (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 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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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 The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.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 January 1 and July 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 Khyber Pakhtunkhwa Province, through DOFWM, 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 Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Secretary to the Government of Pakistan, Economic Affairs Division, Ministry of Finance, Revenue and Economic Affairs, or any Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer in that Division.
- 5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:
 - (a) Economic Affairs Division
Ministry of Finance, Revenue, and Economic Affairs
Islamabad
Pakistan; and
 - (b) the Recipient's Electronic Address is:

Facsimile:

+92 (51) 910-4016

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:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF PAKISTAN

By



Authorized Representative
Mr. Noor Ahmed
Name: _____
Title: Secretary
Date: 18-May-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative
Name: Patchamuthu Illangovan
Title: Country Director
Date: 12-May-2020

SCHEDULE 1

Project Description

The objective of the Project is to improve the performance of irrigated agriculture for farmers in Khyber Pakhtunkhwa Province of the Recipient.

The Project consists of the following parts:

Part A: Improvement of Community Irrigation Systems

1. (a) Carrying out of watercourse improvements in canal-irrigated areas;
- (b) Carrying out improvements of large watercourse (around 3 cusecs) in non-canal irrigated areas; and
- (c) Carrying out improvements of small watercourse (around 0.75 cusecs) in non-canal irrigated area;

all including: (i) construction and installation of PCPS canalets; (ii) carrying out of lining of watercourses; (iii) replacement of water turnout structures; and (iv) provision of technical assistance to Water Users' Associations in relation to layout and construction supervision in this regard.

2. Improvement of piped irrigation water schemes in non-canal irrigated areas.

Part B: Introduction of Modern Irrigation Technologies

1. Installation of high-efficiency irrigation systems, such as drip, trickle, bubbler or sprinkler systems, controlled application of water and non-water inputs.
2. Construction of on-farm water storage tanks and ponds.
3. Strengthening of precision land leveling services for agricultural purposes in private sector through the provision of laser-guided land leveling equipment on a cost shared basis to service providers.

Part C: Capacity Building and Establishing Knowledge Base for Future Inclusive Growth

1. Conducting capacity building activities aimed at:

- (a) farmers, including (i) training in various agro-technical fields, farm management and irrigation agronomy, (ii) demonstration and assistance in improved and modern technologies and methods to increase agricultural production and resilience through better agronomic practices, including integrated pest management and climate smart agriculture, (iii) crop-specific training (particularly for high value crops) for marketing and value addition, such as controlling quality of produce (e.g., maximum residual levels), packaging and branding, general knowledge on potential international market requirements, training to promote technology adoption, (iv) farmer-to-farmer study tours, and (v) the establishment of an information and communication technologies based Farmers Service Center; and
 - (b) employees of the Project Implementing Entity's institutions, including: (i) training in crop diversification, shift to horticulture, vegetable and floriculture crops, operation and maintenance of irrigation systems, including the units installed under the Project; (ii) graduate and master's degree programs in irrigation, high-efficiency irrigation systems, value addition, processing and marketing; (iii) strengthening the capacity of the Water Management Training Center; and (iv) activities associated with operational risk management in fiduciary, governance, and accountability areas.
2. Conducting of strategic studies, such as an integrated water resources management plan, in-depth review of the Project Implementing Entity's agriculture sector, value chain study on high value crops and agriculture sector gender assessment.

Part D: Project Management and Monitoring

Strengthening the Project Implementing Entity's and DOFWM's capacity for the Project management and implementation, including procurement, financial management, environmental and social safeguards, Project implementation supervision, monitoring and evaluation, verification of Outputs and Subproject Performance Indicators, as well as for the implementation of such other activities as may be required for the effective Project implementation.

Part E: Contingent Emergency Response

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

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. On-lending Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity in accordance with the provisions 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 of a conflict between the on-lending and budgetary policies and procedures of the Recipient and the provisions of this Agreement, including such additional instructions as the Association shall have specified by the Disbursement and Financial Information Letter, the provisions of this Agreement, including said additional instructions, shall prevail.
3. The Recipient shall exercise its rights under the on-lending arrangements referred to in paragraph 1 above in such manner as to protect its interests and those of the Association and to accomplish the purposes of the Financing.

B. Project Operations Manual

1. The Recipient shall cause the Project Implementing Entity to: (a) carry out the Project in accordance with the Project Operations Manual; and (b) not amend, revise or waive nor allow to be amended, revised or waived, the provisions of the Project Operations Manual or any part thereof without the prior written agreement of the Association.
2. In the event of any inconsistency between the Project Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

C. Safeguards

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments.
2. The Recipient shall cause the Project Implementing Entity to ensure that the obligation to comply with the relevant Safeguard Instruments is incorporated: (a) in the contracts between the Project Implementing Entity and the relevant contractors and any entity (including any engineer) supervising the Project's civil

works; and (b) in the contracts between the relevant contractors and the contractors' subcontractors.

3. The Recipient shall cause the Project Implementing Entity to ensure that all the bidding documents and contracts include the obligation of the relevant contractors and subcontractors to: (i) adopt and implement measures to assess and manage the risks and impacts of labor influx; and (ii) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety requirements, gender-based violence and violence against children; as applicable to such civil works commissioned or carried out pursuant to said contracts.
4. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project does not include any activities and expenditures on the negative list set forth in the ESMF.
5. Except as the Association shall otherwise agree, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.
6. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
 - (a) for each activity under the Project for which the ESMF, IPMF, IPPF and RPF provide for the preparation of an ESIA, ESMP, PMP, IPP or RAP:
 - (i) proceed to have such ESIA, ESMP, PMP, IPP or RAP as appropriate: (A) prepared and disclosed in accordance with the ESMF, ESIA, IPMF, IPPF and the RPF, respectively; (B) consulted upon adequately with people affected by the Project as per the ESMF, ESIA, IPMF, IPPF and the RPF, respectively, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and
 - (ii) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESIA, ESMP, PMP, IPP or RAP in a manner satisfactory to the Association;
 - (b) all measures are taken to implement a RAP to be prepared pursuant to the requirements of the RPF in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:

- (i) funds are made available to cover all the costs of implementing a RAP;
 - (ii) prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with resettlement assistance in accordance with a RAP, as applicable; and
 - (iii) the implementation, monitoring and evaluation of a RAP is completed and reported in a manner satisfactory to the Association.
7. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Association's Safeguards Policies and EHS Guidelines.
8. The Recipient shall, and cause the Project Implementing Entity to, develop, not later than one (1) month after the Effective Date, and thereafter maintain and publicize, throughout the Project implementation, the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

D. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project ("Contingent Emergency Response Part"), the Recipient shall cause the Project Implementing Entity to:
- (a) prepare and furnish to the Association for its review and approval, a Contingent Emergency Response Component Manual (CERCM) which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the

Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of the any relevant safeguard instruments to the Contingent Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Contingent Emergency Response Part;

- (b) afford the Association a reasonable opportunity to review the proposed CERCM;
 - (c) promptly adopt the CERCM for the Contingent Emergency Response Part as accepted by the Association;
 - (d) ensure that the Contingent Emergency Response Part is carried out in accordance with the CERCM; provided, however, that in the event of any inconsistency between the provisions of the CERCM and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERCM without the prior written approval by the Association.
2. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that no activities are undertaken under the Contingent Emergency Response Part, unless and until the following conditions have been met in respect of said activities:
- (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) all safeguards instruments as may be required for said activities have been prepared and disclosed in accordance with the CERCM, the Project Implementing Entity has approved all such instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

E. Annual Work Plans and Budgets

1. The Recipient shall cause the Project Implementing Entity to furnish to the Association for approval as soon as available, but in any case, not later than March 31 of each year during Project implementation, a proposed annual work plan and budget for the Project and the updated Procurement Plan for each subsequent fiscal

year starting July 1 and ending June 30, of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget for the first fiscal year which shall be furnished prior to the commencement of the relevant activities under the Project.

2. The Recipient shall cause the Project Implementing Entity, not later than two (2) months after furnishing each annual work plan and budget referred to in the preceding paragraph to the Association, to finalize and adopt, and thereafter ensure that the Project is carried out in accordance with, such plan and budget as agreed in writing with the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall cause the Project Implementing Entity to furnish to the Association each Project Report not later than one month 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: (a) 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 Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services for Subprojects under Parts A and B of the Project	90,200,000	100% of the applicable Unit Costs of the Outputs included in a Subproject paid by the Project Implementing Entity to the respective Service Provider or Water Users' Association as per the terms of the respective Subproject Agreement
(2) Goods, works, consulting services,	22,400,000	100%

Training and Operating Costs for Parts C and D of the Project		
(3) Emergency Expenditures	0	
(4) Unallocated	10,800,000	
TOTAL AMOUNT	123,400,000	

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 seven million two hundred thousand Special Drawing Rights (SDR 7,200,000) may be made for payments made prior to this date but on or after May 1, 2019, for Eligible Expenditures under Category (1);
 - (b) under Category (1) for Subprojects unless consultants referred to in paragraph 3 of Section I.A of the Schedule to the Project Agreement, with the terms of reference and qualifications acceptable to the Association have been employed by the Project Implementing Entity; or
 - (c) for Emergency Expenditures under Category (3), unless and until the Association is satisfied that all of the following conditions have been met in respect of said expenditures:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
 - (ii) the Recipient has prepared and disclosed all safeguards instruments required for said activities, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Sections I.C.(2)(b) of this Schedule;

- (iii) the entities in charge of coordinating and implementing the Contingent Emergency Response Part have adequate staff and resources for the purposes of said activities; and
 - (iv) the Recipient has adopted the CERCM, in form and substance acceptable to the Association, and the provisions of the CERCM remain - or have been updated in accordance with the provisions of Section I.E of this Schedule so as to be - appropriate for the inclusion and implementation of the Contingent Emergency Response Part.
2. The Closing Date is December 31, 2025.
 3. The Recipient shall cause the Project Implementing Entity to ensure that any withdrawal application in relation to a Subproject shall only be made upon satisfactory completion of the Subproject, including delivery of the respective Output/s as set forth in the Annex to this Schedule 2 and detailed in the POM, agreed in the respective Subproject Agreement and accounted for in such withdrawal application, as duly certified by the consultant referred to in paragraph 3(a) of Section I.A of the Schedule to the Project Agreement, in a manner satisfactory to the Association.

Section IV. Other Undertakings

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that no later than twenty four (24) months after the Effective Date additional staff positions, with terms of reference acceptable to the Association, required for the MDs, as detailed in the POM, have been: (a) approved; and (b) included in the cost of the non-development budget of the Department of Livestock, Fisheries and Cooperatives of the PIE.
2. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that throughout the implementation of the Project adequate resource allocations for the Project have been made in the PIE's annual development plans (ADPs).
3. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that throughout the implementation of the Project it coordinates with and uses the services of the SSU as needed for efficient implementation of the Project.

ANNEX TO SCHEDULE 2

Outputs

The Outputs eligible for financing for each type of Subproject are as follows and detailed in the POM:

Subprojects	Outputs
Watercourse Improvement Subprojects under Part A of the Project	<ol style="list-style-type: none">1. Watercourse improvements in canal-irrigated areas carried out.2. Improvements of large watercourse (around 3 cusecs) in non-canal irrigated areas carried out.3. Improvements of small watercourse (around 0.75 cusecs) in non-canal irrigated areas carried out.4. Improvement of piped irrigation water schemes in non-canal irrigated areas carried out.
Irrigation Technologies Subprojects under Parts B.1 and B.2 of the Project	<ol style="list-style-type: none">1. High-efficiency irrigation system installed in an area of up to three (3) acres.2. High-efficiency irrigation system installed in an area of up to five (5) acres.3. High-efficiency irrigation system installed in an area of up to ten (10) acres.4. Construction of about 6400 cubic feet of on-farm water tanks and/or about 10-acres feet of water ponds.
Land Leveling Subprojects under Part B.3 of the Project	Laser-guided land leveling equipment provided to Service Providers.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 1 and July 1:	
commencing July 1, 2024 to and including January 1, 2044	1.65%
commencing July 1, 2044 to and including January 1, 2049 _____	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. “Account-1” means the PIE’s account for the Project.
2. “Affected Person” means a person or entity who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and, “Affected Persons”, means all such Affected Persons.
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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Contingent Emergency Response Component Manual” or the acronym “CERCM” means the plan referred to in Section I.D of Schedule 2 to this Agreement, to be adopted by the Recipient for the Contingent Emergency Response Part in accordance with the provisions of said Section.
6. “Contingent Emergency Response Part” means Part E of the Project.
7. “Cusec” means “cubic feet per second”.
8. “District Implementation Committee” or “DIC” means a committee to be established by the Project Implementing Entity pursuant to paragraph 2(c) of Section I.A of the Schedule to the Project Agreement in each district implementing activities financed under the Project, and “District Implementation Committees” or “DICs” means all such committees.
9. “District Rate Committee” or “DRC” means a committee to be established by the Project Implementing Entity pursuant to paragraph 2(d) of Section I.A of the Schedule to the Project Agreement within each District Implementation Committee and responsible, *inter alia*, for the periodic review of rates for various construction materials and works and for setting price for different materials for the Project activities clusters on a geographical basis.

10. “EHS Guidelines” means the World Bank Group Environmental, Health and Safety Guidelines published on www.ifc.org/ehsguidelines, as said guidelines are updated from time to time.
11. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
12. “Emergency Expenditure” means any of the eligible expenditures set forth in the Contingency Emergency Response Component Manual in accordance with the provisions of Section I.D of Schedule 2 to this Agreement, and required for the Contingent Emergency Response Part.
13. “Environmental and Social Impact Assessment” or “ESIA” means the document to be prepared by the Project Implementing Entity in accordance with ESMF (as defined below), in form and substance satisfactory to the Association, and to be disclosed on the Association’s website, setting out details of potential environmental and social risks, including risks of gender-based violence and sexual exploitation and abuse, and adverse impacts associated with any Project activities, together with an environmental and social management plan defining measures to manage such risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, and including any schedules to such assessment, and as such assessment may be amended by the Recipient from time to time, with the prior written approval of the Association.
14. “Environmental and Social Management Framework” or “ESMF” means the environmental assessment and management framework, prepared by the Project Implementing Entity, satisfactory to the Association, and disclosed on the Association’s website on April 18, 2019, setting out the principles, rules, guidelines and procedures to screen and assess the environmental impacts (including health and safety issues) of the activities which will be identified and appraised during Project implementation, and containing measures and plans to avoid, minimize, mitigate and/or offset adverse impacts and/or reduce said adverse impacts to acceptable levels, and enhance positive impacts, provisions for estimating and budgeting the costs of such measures, and information on the agency or agencies responsible for addressing project impacts, as said instrument may be amended from time to time with the Association’s prior written agreement.
15. “Environmental and Social Management Plan” or “ESMP” means an environmental and social management plan to be prepared by the Project Implementing Entity in accordance with ESMF, in form and substance satisfactory to the Association, and to be disclosed on the Association’s website, which details (a) the measures to be taken during the implementation and operation of the Project to avoid, minimize, mitigate or offset adverse environmental impacts (including

health and safety issues), or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as said instrument may be amended from time to time with the Association's prior written agreement.

16. "FATA" means the Recipient's former federally administered tribal areas which consisted of seven agencies and six frontier regions. Following a merger, the agencies have become Merged Districts ("MDs") while the frontier regions have been merged with their adjoining districts in the Province of Khyber Pakhtunkhwa.
17. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018.
18. "Indigenous Peoples Plan" or "IPP" means an indigenous peoples plan, satisfactory to the Association, to be prepared and disclosed by the Project Implementing Entity pursuant to the provisions of IPPF (as defined below), which includes the principles, procedures, organizational arrangements and budget to implement indigenous peoples related activities under the Project, as said indigenous peoples plan may be revised from time to time with the prior written agreement of the Association.
19. "Indigenous Peoples Planning Framework" or "IPPF" means the framework prepared and adopted by the Project Implementing Entity, satisfactory to the Association, and disclosed on the Association's website on April 18, 2019, which sets out the principles, organizational arrangements (including consultation, budget and disclosure), and design criteria to be applied to Project activities which affect indigenous peoples, as such framework may be amended from time to time with the prior written agreement of the Association.
20. "Integrated Pest Management Framework" or "IPMF" means the framework, prepared by the the Project Implementing Entity, satisfactory to the Association, and disclosed on the Association's website on April 18, 2019, as said instrument may be updated from time to time with the prior written agreement of the Association.
21. "Irrigation Technologies Subproject" means a specific activity under Parts B.1 and B.2 of the Project financed out of the proceeds of the Financing in accordance with the provisions of Section I.B of the Schedule to the Project Agreement and carried out by a Service Provider; and "Irrigation Technologies Subprojects" means more than one such activity.
22. "Irrigation Technologies Subproject Agreement" means an agreement, referred to in Section I.B.2 of the Schedule to the Project Agreement, among the Project Implementing Entity, represented by DOFWM, a Service Provider, and a farmer, setting forth the terms and conditions governing the implementation of an

Irrigation Technologies Subproject, including the related cost-sharing arrangements between the Project Implementing Entity and the farmer, and such term includes any annexes or schedules to such agreement.

23. “Land Leveling Subproject” means a specific activity under Part B.3 of the Project financed out of the proceeds of the Financing in accordance with the provisions of Section I.B of the Schedule to the Project Agreement and carried out by a Service Provider (as hereinafter defined); and “Land Leveling Subprojects” means more than one such activity.
24. “Land Leveling Subproject Agreement” means an agreement, referred to in Section I.B.2 of the Schedule to the Project Agreement, between the Project Implementing Entity, represented by DOFWM, and a Service Provider, setting forth the terms and conditions governing the implementation of a Land Leveling Subproject, including the related cost-sharing arrangements between the Project Implementing Entity and the Service Provider, and such term includes any annexes or schedules to such agreement.
25. “MDs” means the Recipient’s Merged Districts consisting of the seven agencies of the erstwhile FATA.
26. “Operating Costs” means incremental operating costs incurred by the Project Implementing Entity or DOFWM for purposes of Project management, implementation, monitoring and evaluation, on account of office supplies and consumables, utilities, bank charges, taxes payable on a discrete basis (such as those payable through stamped paper), 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 (including those incremental to the Project Implementing Entity and DOFWM and working exclusively on the Project), but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of members of the Project Implementing Entity’s civil service, all based on annual work plans and budgets referred to in Section I.D of the Schedule to the Project Agreement.
27. “Output” means any of the construction- or operation-phase outputs of a Subproject (as hereinafter defined), as set forth in the Annex to Schedule 2 to this Agreement and detailed in the POM for each type of Subproject, eligible for financing out of the proceeds of the Financing on the basis of its Unit Cost (as hereinafter defined).
28. “PCPS” means pre-cast parabolic segments.
29. “Pest Management Plan” or “PMP” means a pest management plan to be prepared by the Project Implementing Entity in accordance with IPMF, in form and

substance satisfactory to the Association, and to be disclosed on the Association's website, as said plan may be updated from time to time with the prior written agreement of the Association.

30. "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 and August 2018.
31. "Project Director" means the Director General of the Directorate of On-farm Water Management within the Project Implementing Entity's Department of Agriculture.
32. "Project Implementation Committee" means the committee to be established by the Project Implementing Entity pursuant to paragraph 2(c) of Section I.A of the Schedule to the Project Agreement for overall Project implementation and management and to be chaired by the Director General, DOFWM.
33. "Project Implementing Entity" or "PIE" means the Province of Khyber Pakhtunkhwa of the Recipient.
34. "Project Implementing Entity's Legislation" means the Recipient's Constitution of 1973.
35. "Project Implementation Unit", "PIU" or "DOFWM" means the Directorate of On-farm Water Management within the Project Implementing Entity's Department of Livestock, Fisheries and Cooperatives, or any successor thereto.
36. "Project Operations Manual" or "POM" means the implementation manual adopted by the Project Implementing Entity on May 22, 2019, and setting forth implementation, organizational, administrative, monitoring and evaluation, financial management, safeguards, disbursement, and procurement arrangements for purpose of implementation of the Project, and such term includes any annexes or schedules to such manual.
37. "Project Steering Committee" means the committee to be established by the Project Implementing Entity pursuant to paragraph 2(a) of Section I.A of the Schedule to the Project Agreement for the purposes of inter-agency coordination of Project implementation at the highest level of the Project Implementing Entity's government.
38. "Province of Khyber Pakhtunkhwa" means the Recipient's administrative subdivision of such name established pursuant to the Project Implementing Entity's Legislation or a successor thereto.
39. "Resettlement Action Plan" or "RAP" means a resettlement action plan to be prepared by the Project Implementing Entity in accordance with RPF (as defined below), in form and substance satisfactory to the Association, and to be disclosed

on the Association's website, which details the principles, guidelines, procedures, organizational arrangements and budget to implement the resettlement related activities under the Project, as said resettlement action plan may be revised from time to time with the prior written agreement of the Association.

40. "Resettlement Policy Framework" or "RPF" means the resettlement policy framework prepared by the Project Implementing Entity, satisfactory to the Association, and disclosed on the Association's website on April 18, 2019, which sets out the resettlement principles, organizational arrangements (including consultation and budget), and design criteria to be applied to resettlement related Project activities to be prepared during Project implementation, as such framework may be amended from time to time with the prior written agreement of the Association.
41. "Safeguard Instruments" means, collectively, ESMF, IPMF, IPPF, RPF, ESIA, ESMP, IPP, PMP and RAP and "Safeguard Instrument" means any of such Safeguards Instruments.
42. "Safeguard Policies" means, the Operational Policies (OPS) and Bank Procedures (BPs) of the Bank, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at <https://policies.worldbank.org>.
43. "Service Provider" means a service and supply company participating in the implementation of Subprojects in accordance with the criteria and requirements of Section I.B of the Schedule to the Project Agreement and the Project Operations Manual.
44. "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.
45. "SSU" means the Shared Services Unit established within the Project Implementing Entity's Finance Department responsible for shared functions, including, but not limited to financial management, procurement, and social and environmental safeguards.
46. "Subproject" means an Irrigation Technologies Subproject, a Land Leveling Subproject, or a Watercourse Improvement Subproject (as hereinafter defined); and "Subprojects" means more than one of said Subprojects.
47. "Subproject Agreement" means an Irrigation Technologies Subproject Agreement, a Land Leveling Subproject Agreement, or a Watercourse Improvement

Subproject Agreement (as hereinafter defined); and “Subproject Agreements” means more than one of said Subproject Agreements.

48. “Subproject Performance Indicators” means the indicators and targets set forth in a Subproject Agreement to be fulfilled by the respective Service Provider or Water Users’ Association as conditions of sustainability of the respective Subproject for the final payment of the Unit Costs of Outputs.
49. “Training” means the costs of training activities under the Project, including seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to training preparation and implementation, all based on annual work plans and budgets approved by the Association.
50. “Unit Cost” means the pre-agreed unit cost of all goods, works, non-consulting services and consulting services required for the delivery of each of the Outputs of a Subproject, as specified in the Project Operations Manual and the respective Subproject Agreement.
51. “Water Users’ Association” or “WUA” means an autonomous association of irrigators and other water users in a specific irrigation scheme, established pursuant to the Recipient’s laws, owning accounts, empowered to raise and retain revenue, and having elected leadership; and “Water Users’ Associations” or “WUAs” means more than one such association.
52. “Watercourse Improvement Subproject” means a specific activity under Part A of the Project financed out of the proceeds of the Financing in accordance with the provisions of Section I.B of the Schedule to the Project Agreement and carried out by a Service Provider; and “Watercourse Subprojects” means more than one such activity.
53. “Watercourse Improvement Subproject Agreement” means an agreement, referred to in Section I.B.2 of the Schedule to the Project Agreement, between the Project Implementing Entity, represented by DOFWM, and a Water Users’ Association, setting forth the terms and conditions governing the implementation of a Watercourse Improvement Subproject, and such term includes any annexes or schedules to such agreement.