
**CREDIT NUMBER 6794-PK
AMENDMENT TO CREDIT NUMBER 5888-PK**

Financing Agreement

(Additional Financing for Sindh Resilience Project)

and

Amendment to the Original Financing Agreement

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

**CREDIT NUMBER 6794-PK
AMENDMENT to CREDIT NUMBER 5888-PK**

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between ISLAMIC REPUBLIC OF PAKISTAN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities relating to the Original Project (as defined in the Appendix to this Agreement).

WHEREAS:

- A. the Association entered into a financing agreement with the Recipient on August 31, 2016 (“Original Financing Agreement”) and a project agreement with the PROVINCE OF SINDH (“Project Implementing Entity”) on the same date (“Original Project Agreement”) for the implementation of the Original Project;
- B. under the Original Financing Agreement, the Association extended to the Recipient a credit in the amount of one hundred million Dollars (\$100,000,000) (“Original Credit”) to assist in financing the Original Project;
- C. the Recipient have requested the Association, through a letter dated October 23, 2020, to provide additional financial assistance in support of the Recipients’ national emergency preparedness response plan for COVID-19 by providing an additional credit in the amount of one hundred forty-two million one hundred thousand Special Withdrawing Rights (SDR 142,100,000) (“Additional Financing”) and to restructure the Original Project;
- D. the Association has agreed, on the basis, *inter alia*, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement; and
- E. this Agreement: (i) sets out the terms and conditions related to the additional financing for the Original Project; and (ii) amends specific provisions of the Original Financing Agreement as set forth in Section II of the Appendix to this Agreement.

NOW THEREFORE 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 shall have the meanings ascribed to them in the Appendix to the Original Financing Agreement, except for those defined otherwise in the General Conditions or in the Appendix to this Agreement (including the Preamble and 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 forty-two million one hundred thousand Special Drawing Rights (SDR 142,100,000) (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 15 and October 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article 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.
- 4.03. 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 (20) 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 Ministry of 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:

Ministry of Economic Affairs
Government of Pakistan
Islamabad
Islamic Republic of 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:

Facsimile:
1-202-477-6391

E-mail:
CMUPakistan@worldbank.org

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF PAKISTAN

By



Authorized Representative

Noor Ahmed

Name: _____

Secretary

Title: _____

26-Mar-2021

Date: _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: _____ Najy Benhassine

Title: _____ Country Director, Pakistan

Date: _____ 26-Mar-2021

SCHEDULE 1

Project Description

The objectives of the Project are to mitigate flood and drought risks in selected areas and to strengthen Sindh's capacity to manage natural disasters and public health emergencies.

The Project consists of the following parts:

Component 1. Strengthening Disaster and Public Health Emergency Management

- A. Strengthening the institutional capacity of the Project Implementing Entity to respond to public health emergencies through: (a) supporting selected public hospitals and health facilities in developing emergency operations plans; (b) carrying out of works and provision of equipment and technical assistance to strengthen the capacity and protocols for mortuary services; (c) supporting development and operationalization of a health surveillance dashboard and integration thereof with Disaster Management Information System; (d) supporting development of a COVID-19 programmatic recovery framework; and (e) development of partnerships with relevant stakeholders.
- B. Supporting operationalization of a unit for emergency services (Sindh Emergency Services) in Selected Divisional Headquarters and Selected Districts through development of their institutional set up and operational capacities, including enhancement of the operational facilities, training programs, and procurement of vehicles and equipment.
- C. Providing technical and operational assistance to PDMA Sindh for the implementation and management of the Project.

Component 2. Improving Infrastructure and Systems for Resilience

- A. Construction of Eligible Small Recharge Dams to address drought and flash flooding.
- B. Provision of technical and operational assistance to Sindh Irrigation Department for conjunctive water management to mitigate drought risks and for the implementation and management of the Project, including carrying out of a comprehensive study for developing drought risk mitigating strategy.

Component 3. Contingent Emergency Response

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

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

The provisions of Sections I.A (On-Lending Arrangements), I.C (Contingent Emergency Response, I.D (Safeguards), and I.E (Annual Work Plan and Budgets) of Schedule 2 to the Original Financing Agreement and the Definitions in the Appendix to the Original Financing Agreement (including those amended by the Appendix to this Agreement) are hereby incorporated by reference (other than the terms “Anti-Corruption Guidelines”, “Consultant Guidelines”, “Category,” “General Conditions” and “Procurement Guidelines”) and shall apply mutatis mutandis, to this Agreement, with the modification as set forth below, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

1. “Section IV.A.1” as referred to under Section I.A.2 in the fifth line is hereby replaced with “Section III.A.1.”
2. The provision of Section I.E.1(a) is hereby modified by replacing the term “Counterpart Funds” with the term “Counterpart Funds for the Additional Financing”.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one (1) 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 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, consulting services, Incremental Operating Costs, and Training under Components 1 and 2 of the Project	142,100,000	100%
(2) Emergency Expenditures for Component 3 of the Project	0	
TOTAL AMOUNT	142,100,000	

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; or
 - (b) under Category (2), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of the activities to be financed from the funds allocated to said Category:
 - (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 CER Component in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
 - (ii) the Recipient's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.C.2 of this Schedule 2 to the Original Financing Agreement, for the purposes of said activities;

- (iii) the Recipient has adopted a CER Operations Manual in form, substance and manner acceptable to the Association whose provisions remain appropriate for the inclusion in and implementation of said activities under, the CER Component; and
- (iv) the Recipient has prepared and disclosed or caused to be prepared and disclosed all safeguards instruments required for the activities to be financed under such Category (3), and has implemented any actions which are required to be taken under such documents and the Association Policies, all in accordance with the provisions of Section I.C.3(b) of Schedule 2 to the Original Financing Agreement.

2. The Closing Date is August 28, 2024.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each April 15 and October 15:	
commencing April 15, 2026 to and including October 15, 2045	1.65%
commencing April 15, 2046 to and including October 15, 2050	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

Section I. Definitions

1. “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.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Counterpart Funds for Additional Financing” means funds provided or to be provided by the Project Implementing Entity in accordance with Section I.D.1 of the Annex to the Project Agreement.
4. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
5. “Disaster Management Information System” means the Project Implementing Entity’s disaster management information system being developed by PDMA Sindh under the Original Project.
6. “Eligible Small Recharge Dam” means a small rainwater-fed recharge dam, less than 10 meters in height, which meets the eligibility criteria for the financing of its construction under Subcomponent 2.A of the Project and with respect to which the Association has confirmed in writing to the Project Implementing Entity that it does not trigger the Association Policies (or if it does trigger any of the Association Policies, all requirements under such Association Policies have been complied with in accordance with the provisions of such Association Policies).
7. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
8. “Original Financing Agreement” means the Financing Agreement between the Recipient and the Association, dated August 31, 2016, for the purpose of providing original credit for the Original Project, as may be amended from time to time (Credit No. 5888-PK).

9. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.
10. “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.
11. “Selected Districts” means Ghotki, Jacobabad, Naushahro Feroze, Sujawal, Karachi Korangi, Karachi Central and Jamshoro, or any other district(s) agreed upon from time to time between the Recipient, the Project Implementing Entity, and the Association.
12. “Selected Divisional Headquarter” means Karachi, Hyderabad, Sukkur, Shaheed Benazirahad, Mipurkhas and Larkana, or any other city/cities agreed upon from time to time between the Recipient, the Project Implementing Entity, and the Association.
13. “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.
14. “Sindh Irrigation Department” means the Project Implementing Entity’s department responsible for managing irrigation affairs, or any successor thereto.

Section II. Amendments to the Original Financing Agreement

1. Section IV.B.2 of Schedule 2 is hereby amended to read in full as follows:

“2. The Closing Date is August 28, 2024.”

2. The terms “Environmental and Social Management Framework,” and “Environmental and Social Management Plan” in Section I of the Appendix are amended to read in full as follows:

“**Environmental and Social Management Framework**” or “**ESMF**” means the Sindh Resilience Project - Environmental and Social Management Framework, prepared and adopted by the Project Implementing Entity, satisfactory to the Association, dated March 2016, setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of Project activities, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, procedural, budget and institutional

arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects' risks and impacts; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Project Implementing Entity from time to time, with the prior written agreement of the Association.

“Environmental and Social Management Plan” means, collectively, the environmental and social management plan included in Section 8.1 of the SID's document entitled “Sindh Resilience Project (SRP) – Environmental and Social Impacts Assessment (ESIA) of S.H, B.U. Indo and M. S. Embankments of Indus River” dated March 2016, and Section 6 of SID and PDMA Sindh Document entitled “Sindh Resilience Project (SRP) – Executive Summary - Environmental and Social Impacts Assessment” dated March 2016, as well as each plan which may be prepared by Project Implementing Entity in accordance with the provisions of the Environmental and Social Management Framework, if any, and any environmental and social management plan which may be prepared for activities to be included in the CER Component, if any, and such term includes any annexes, appendices, or schedules to such plan; and as such plan may be amended by the Project Implementing Entity from time to time, with the prior written approval of the Association.