
CREDIT NUMBER 6855-PK

Financing Agreement

(Pakistan Crisis-Resilient Social Protection)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6855-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 four hundred sixteen million and five hundred thousand Special Drawing Rights (SDR 416,500,000) (variously, “Credit” and “Financing”), to assist in financing:
 - (a) the program as described in Part 1 (“Program”) of Schedule 1 to this Agreement; and
 - (b) the project as described in Part 2 (“Project”) of Schedule 1 to this Agreement,

(the Program and the Project hereinafter jointly referred to as the “Operation”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.
- 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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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 The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.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 March 1 and September 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 — OPERATION

- 3.01. The Recipient declares its commitment to the objective of the Operation. To this end, the Recipient shall carry out the Operation through BISP in accordance with the provisions of Article V of the Program General Conditions, Article V of the Project General Conditions, Schedule 2 to this Agreement and the Implementing Entity Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely that the BISP Law has been amended, suspended, abrogated, repealed or waived, whether in whole or in part, so as to affect materially and adversely the objective of the Operation.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Secretary, Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer of the Recipient's Ministry of Economic Affairs.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Economic Affairs
Government of Pakistan
Islamabad
Pakistan; and

(b) the Recipient's Electronic Address is:

Facsimile: E-mail:
92-51-910-4016 secretary@ead.gov.pk

6.03. 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: E-mail:
1-202-477-6391 CMUPakistan@worldbank.org

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF PAKISTAN

By



Authorized Representative
Noor Ahmed

Name: _____

Title: Secretary _____

Date: 26-Mar-2021 _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative
Najy Benhassine

Name: _____

Title: Country Director, Pakistan _____

Date: 26-Mar-2021 _____

SCHEDULE 1

Operation Description

The objective of the Operation is to support the development of a more adaptive social protection system that will contribute to any future crisis-resilience among poor and vulnerable households.

The Operation consists of the Program and the Project as follows:

Part 1: The Program:

The Program supports the pillars 2 and 3 of Ehsaas in the following areas:

Results Area 1: Building Crisis-Resilient Delivery Systems

- (a) Innovations to the Social Registry. The Program will support, among others, the more frequent intake and registration for the social registry through introduction of MELA, multi-entry, local, automated system.
- (b) Beneficiary-Centric Payment Systems. The Program will support advances in the biometric payment system, including technological innovations to promote greater financial inclusion and improvement in services.

Results Area 2: Developing Innovative Hybrid Social Protection Scheme

The Program will support a hybrid scheme that blends social assistance with social risk mitigation elements to promote savings that informal sector workers can fall back on in case of shocks, while also providing a platform through which the government can more rapidly deploy additional support during crisis.

Results Area 3: Protecting Human Capital in the Early and Primary School Years

- (a) Improved Health and Nutrition in the Early Years. The Program will support early investments in health and nutrition by supporting demand-side interventions aimed at mitigating access constraints. The Program will also strengthen federal-provincial coordination mechanisms for human-capital focused social protection interventions, particularly for the nutrition-focused CCT.
- (b) Incentivizing School Enrollment and Retention. The Program will support the expansion of WeT and consolidation of efforts to improve coordination with provincial education departments.

Part 2: The Project:

(a) Provision of technical assistance to support: (i) design and evaluation of the social registry's MELA mechanism and review data sharing protocol for recommendation on protection of personal data; (ii) assessment of the effectiveness of use of big data to complement traditional targeting methods to improve targeting performance; (iii) supporting the social registry governance and data exchange mechanisms; and (iv) design and assessment of mechanisms to further strengthen the beneficiary payment system by exploring technological innovations and linkages with the national payment gateway which is under development.

(b) Provision of technical assistance to support: (i) design of the hybrid social protection scheme including monetary and non-monetary (behavioral nudges) design elements; (ii) capacity building for management and implementation of the hybrid social protection system and development of a platform to support monitoring of contributions, management of funds, and individual savings accounts; (iii) evaluation of different design features and of the impacts of the hybrid scheme on households' ability to manage risks; and (iv) planning for potential scale up of the hybrid social protection scheme.

(c) Provision of technical assistance to support: (i) design and implementation of the nutrition-focused CCT; (ii) planning for national rollout of WeT; (iii) evaluations of the nutrition-focused CCT and WeT to understand impacts on key outcomes related to human capital; and (iv) linkages of both CCT programs to existing delivery systems.

SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. On-lending Arrangements for the Operation

- (a) To facilitate the carrying out of the Operation, the Recipient shall make part of the proceeds of the Financing, allocated for Part 2 of the Operation, available to the Implementing Entity in accordance with the provision of this Agreement and the Recipient's on-lending policies and budgetary procedures, and under the same terms and conditions as shall have been received from the Association.
- (b) Notwithstanding paragraph 1 above, in the event that any of the provisions of this Agreement, including the instructions that the Association shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, are inconsistent with the budgetary procedures of the Recipient, the provision of this Agreement shall prevail.
- (c) The Recipient shall exercise its rights under the on-lending arrangements referred to in the preceding paragraphs in such manner as to protect the interests of the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive its rights under such arrangements.

B. Operation Institutions

The Recipient shall cause BISP to maintain its capacity with technical, social and environmental, fiduciary and other Program-related responsibilities for implementing the Operation, all with powers, functions, capacity, staffing, and resources appropriate to fulfil their respective functions under the Operation.

C. Additional Implementation Arrangements

- 1. Without limitation upon the generality of Part B of this Section I, the Recipient shall carry out the Program Action Plan, or cause the Program Action Plan to be carried out, in accordance with the schedule set out in the said Program Action Plan in a manner satisfactory to the Association.

2. The Recipient shall, or cause the Implementing Entity to ensure that collection, storage, usage or processing of personal data are carried out with due regard to appropriate data protection and privacy standards and practices.

D. Environmental and Social Standards for the Project

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the

ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

- A. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (i) works, estimated to cost \$50,000,000 equivalent or more per contract; (ii) goods, estimated to cost \$30,000,000 equivalent or more per contract; (iii) non-consulting services, estimated to cost \$20,000,000 equivalent or more per contract; or (iv) consulting services, estimated to cost \$15,000,000 equivalent or more per contract.

Section III. Operation Monitoring, Reporting and Evaluation

A. Operation Monitoring, Reporting and Evaluation for the Operation

The Recipient shall cause the Implementing Entity to furnish to the Association each Operation Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 to this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

B. Verification Protocols for the Program

1. The Recipient shall cause the Implementing Entity to:
 - (a) undertake a verification process to certify the fulfillment of the Disbursement Linked Results set out in Annex to Schedule 2 to this Agreement. To this end the Recipient shall cause the Implementing Entity to select, notify and engage by the earlier of the date which is three (3) months after the Effective Date and the first date on which the Recipient undertakes a verification and thereafter maintain throughout the period of implementation of the Operation, the services of an Independent Verification Agency (IVA) with qualification and experience and under terms of reference acceptable to the Association, in order to: (i) support the Operation's monitoring and evaluation; (ii) document the achievement of DLIs/DLRs; and
 - (b) furnish to the Association corresponding verification report, in form and substance agreed with the Association.

Section IV. Withdrawal of Financing Proceeds

A. General

1. 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) with respect to the Program, Program Expenditures (inclusive of taxes), finance on the basis of the results ("Disbursement Linked Results" or "DLRs") achieved by the [Recipient][Implementing Entity], all as set forth as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs") in the amount allocated against Categories (1) (a) through (k) of the below table and Annex to Schedule 2 to this Agreement; and (b) with respect to the Project, finance Eligible Expenditures in the amount allocated, and if applicable, up to the percentage set forth against Category (2) of the below table..

Category (including Disbursement Linked Indicator as applicable)	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
<p>(1) Disbursement under the Program for:</p> <p>(a) DLI #1: Number of households with NSER data updated through MELA mechanism</p> <p>(b) DLI #2: Number of hybrid scheme beneficiaries receiving eligible matching contributions</p> <p>(c) DLI #3: Number of safety net beneficiaries being paid through the beneficiary centric payment mechanism</p> <p>(d) DLI #4: Number of beneficiaries in the nutrition sensitive CCT (Nashonuma) Program paid against compliance with the conditionalities in two (2) consecutive quarters</p> <p>(e) DLI #5: Number of beneficiaries in WeT program paid against compliance with the conditionalities in two (2) consecutive quarters</p> <p>(f) DLI #6: Number of girls receiving bonuses or other completion</p>	<p>34,708,000</p> <p>41,650,000</p> <p>27,767,000</p> <p>55,533,000</p> <p>69,417,000</p> <p>34,708,000</p> <p>20,825,000</p>	<p>Not applicable</p>

incentives for transition to secondary school	27,767,000	
(g) DLI #7: Number of Districts where at least one (1) MELA access point is functional in each Tehsil	24,296,000	
(h) DLI #8: Number of Government programs exchanging information with NSER through data exchange interface per signed data sharing agreements	41,650,000	
(i) DLI #9: Functional beneficiary registry and platform for management of the hybrid social protection scheme	34,708,000	
(j) DLI #10: Number of Districts in federally administered areas where nutrition CCT program has been initiated		
(k) DLI # 11: Number of ever enrolled children in WeT program who have completed primary education		
(2) Goods, non-consulting, consulting services, Training and Incremental Operating Costs	3,471,000	[100%]
TOTAL AMOUNT	416,500,000	

B. Withdrawal Conditions for the Program

1. Notwithstanding the provisions of Part A of this Section, with respect to Categories (1) (a) through (1) (k), no withdrawal shall be made:
 - (a) for the purposes of Section 2.03 of the Program General Conditions, for DLRs achieved prior to the Signature Date; or/and
 - (b) for any DLR until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved, including verification reports from the Verification Agent, based on reports prepared by the Recipient clarifying the achievement of the DLRs in accordance with the Verification Protocol.
2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw an amount not to exceed SDR 103,257,000 as an advance; provided, however, that if the DLRs in the opinion of the Association, are not achieved (or only partially achieved) by the Closing Date, the Recipient shall refund such advance (or portion of such advance as determined by the Association with reference to the Verification Protocol) to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.
3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Category (1) (a) through (k) has not been achieved, the Association may, following a consultation with the Recipient, by notice to the Recipient: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to said Category which, in the opinion of the Association, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula set out in a table in Annex to the Schedule 2 to this Agreement; (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR to any other DLR; and/or (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLR.

C. Withdrawal Conditions for the Project

Notwithstanding the provisions of Section IV.A of this Schedule, with respect to Category (2), no withdrawal shall be made for payments made in respect of the Project prior to the Signature Date.

D. Withdrawal Period

The Closing Date is June 30, 2025.

ANNEX TO SCHEDULE 2

Disbursement Linked Indicators

DLI	Total Financing Allocated to DLI	As % of Total Financing Amount	DLI Baseline	Disbursement Linked Results (DLRs)			
				Year 1 (FY22)	Year 2 (FY23)	Year 3 (FY24)	Year 4 (FY25)
DLI 1 Number of households with NSER data updated through MELA mechanism			0	0	DLR 1.1 15,000 households Scalability: No Rollover: Yes	DLR 1.2 30,000 households Scalability: Yes \$5 million for every additional 5,000 households Rollover: Yes	DLR 1.3 50,000 households Scalability: Yes \$5 million for every additional 10,000 households
Allocated amount (SDR)	34,708,000	8%		0	17,354,000	10,412,400	6,941,600
DLI 2 Number of hybrid scheme beneficiaries receiving eligible matching contributions			0	0	DLR 2.1 25,000 beneficiaries Scalability: No Rollover: Yes	DLR 2.2 50,000 beneficiaries Scalability: Yes \$4 million for every additional 5,000 beneficiaries Rollover: Yes	DLR 2.3 150,000 beneficiaries Scalability: Yes \$7.5 million for every additional 50,000 beneficiaries
Allocated amount (SDR)	41,650,000	10%		0	17,354,200	13,883,400	10,412,400
DLI 3 Number of safety net beneficiaries being paid through the			0	0	DLR 3.1 1,000,000 beneficiaries Scalability: No Rollover: Yes	DLR 3.2 3,000,000 beneficiaries Scalability: Yes	DLR 3.3 5,000,000 beneficiaries Scalability: Yes

DLI	Total Financing Allocated to DLI	As % of Total Financing Amount	DLI Baseline	Disbursement Linked Results (DLRs)			
				Year 1 (FY22)	Year 2 (FY23)	Year 3 (FY24)	Year 4 (FY25)
beneficiary centric payment mechanism						\$5 million for every additional 1,000,000 beneficiaries Rollover: Yes	\$5 million for every additional 1,000,000 beneficiaries
Allocated amount (SDR)	27,767,000	7%			13,883,250	6,941,800	6,941,800
DLI 4 Number of beneficiaries in the nutrition sensitive CCT (Nashonuma) Program paid against compliance with the conditionalities in two (2) consecutive quarters			0	DLR 4.1 5,000 beneficiaries Scalability: No Rollover: Yes	DLR 4.2 25,000 beneficiaries Scalability: Yes \$10 million for every additional 10,000 beneficiaries Rollover: Yes	DLR 4.3 50,000 beneficiaries Scalability: Yes \$10 million for every additional 12,500 beneficiaries Rollover: Yes	DLR 4.4 100,000 beneficiaries Scalability: Yes \$10 million for every additional 25,000 beneficiaries
Allocated amount (SDR)	55,533,000	13%		13,883,250	13,883,250	13,883,250	13,883,250
DLI 5 Number of beneficiaries in WeT program paid against compliance with the conditionalities in two (2)			1,100,000 beneficiaries	DLR 5.1 1,800,000 beneficiaries Scalability: No Rollover: Yes	DLR 5.2 2,200,000 beneficiaries Scalability: No Rollover: Yes	DLR 5.3 2,600,000 beneficiaries Scalability: No Rollover: Yes	DLR 5.4 3,000,000 beneficiaries Scalability: No

DLI	Total Financing Allocated to DLI	As % of Total Financing Amount	DLI Baseline	Disbursement Linked Results (DLRs)			
				Year 1 (FY22)	Year 2 (FY23)	Year 3 (FY24)	Year 4 (FY25)
consecutive quarters							
Allocated amount (SDR)	69,417,000	17%		17,354,250	17,354,250	17,354,250	17,354,250
DLI 6 Number of girls receiving bonuses or other completion incentives for transition to secondary school			0	DLR 6.1 100,000 girls Scalability: No Rollover: Yes	DLR 6.2 300,000 girls Scalability: Yes \$5 million for every additional 100,000 girls Rollover: Yes	DLR 6.3 900,000 girls Scalability: Yes \$5 million for every additional 300,000 girls Rollover: Yes	DLR 6.4 1,300,000 girls Scalability: Yes \$10 million for every additional 200,000 girls
Allocated amount (SDR)	34,708,000	8%		6,941,600	6,941,600	6,941,600	13,883,200
DLI 7 Number of Districts where at least one (1) MELA access point is functional in each Tehsil			0	0	DLR 7.1 50 Districts Scalability: No Rollover: Yes	DLR 7.2 80 Districts Scalability: No Rollover: Yes	DLR 7.3 120 Districts Scalability: No
Allocated amount (SDR)	20,825,000	5%		0	6,941,600	6,941,600	6,941,600
DLI 8 Number of government programs exchanging information with NSER through data exchange			0	0	DLR 8.1 2 programs Scalability: No Rollover: Yes	DLR 8.2 4 programs (cumulative) Scalability: No Rollover: Yes	DLR 8.3 6 programs (cumulative) Scalability: No Rollover: Yes

DLI	Total Financing Allocated to DLI	As % of Total Financing Amount	DLI Baseline	Disbursement Linked Results (DLRs)			
				Year 1 (FY22)	Year 2 (FY23)	Year 3 (FY24)	Year 4 (FY25)
interface per signed data sharing agreements							
Allocated amount (SDR)	27,767,000	7%		0	6,941,600	6,941,600	13,883,200
DLI 9 Functional beneficiary registry and platform for management of the hybrid social protection scheme			0	0	DLR 9.1 Yes Scalability: No Rollover: Yes	0	0
Allocated amount (SDR)	24,296,000	6%		0	24,296,000	0	0
DLI 10 Number of Districts in Federally administered areas where nutrition CCT program has been initiated			0	DLR 10.1 4 Districts	DLR 10.2 8 Districts (cumulative) Scalability: No Rollover: Yes	DLR 10.3 12 Districts (cumulative) Scalability: No Rollover: Yes	DLR 10.4 20 Districts(cumulative) Scalability: No
Allocated amount (SDR)	41,650,000	10%		6,941,600	6,941,600	13,883,300	13,883,300
DLI 11 Number of ever-enrolled children in WeT program who have			500,000 children		DLR 11.1 800,000 children Scalability: No Rollover: Yes	DLR 11.2 1,400,000 children Scalability: Yes	DLR 11.3 2,000,000 children Scalability: Yes

DLI	Total Financing Allocated to DLI	As % of Total Financing Amount	DLI Baseline	Disbursement Linked Results (DLRs)			
				Year 1 (FY22)	Year 2 (FY23)	Year 3 (FY24)	Year 4 (FY25)
completed primary education						\$10 million for every additional 300,000 children Rollover: Yes	\$5 million for every additional 300,000 children
Allocated amount (SDR)	34,708,000	8%		0	13,883,200	13,883,200	6,941,600

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 1 and September 1:	
commencing September 1, 2026 to and including March 1, 2046	1.65%
commencing September 1, 2046 to and including March 1, 2051	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. “Allocated Amounts” means the amount in SDRs allocated to each individual DLR, or determined for each DLR pursuant to the formula detailed in Annex to Schedule 2 to this Agreement, as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Association, from time to time as the case may be, in accordance with the provisions of Section IV.B.3 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means: (a) for purposes of paragraph 5 of the Appendix to the Program General Conditions, the Association’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015; and (b) for purposes of paragraph 5 of the Appendix to the Project 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.
3. “BISP” means the Benazir Income Support Programme, an autonomous statutory authority responsible for the implementation of the Recipient’s cash transfer programs, including those under the NSPO, established pursuant to the BISP Law, or any successor thereto.
4. “BISP Law” means the Recipient’s Benazir Income Support Programme Act 2010.
5. “BISP Management Board” means the board established and operating pursuant to Chapter III of the BISP Law.
6. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
7. “CCT” means the conditional cash transfer.
8. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.1 of Schedule 2 to this Agreement.
9. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the tables in Section IV.A.1 of Schedule 2 and Annex to Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
10. “District” means an administrative subdivision of a Province.
11. “Ehsaas” means the National Poverty Alleviation Plan, launched on March 27, 2019 by the Recipient, which has articulated in four pillars: (a) building an enabling environment by creating fiscal space and improving governance; (b) safety nets for disadvantaged segments of the population; (c) human capital development; and (d) jobs and livelihoods.

12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated February 22, 2021, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
13. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
14. “Fiscal Year” or “FY” means the Recipient’s and Implementing Entity’s fiscal year commences on July 1 of each calendar year, and ends on June 30 of the following calendar year.
15. “General Conditions” means, collectively, the Program General Conditions and the Project General Conditions. In such cases, capitalized definitions are the same in both sets of General Conditions. In cases where the capitalized definitions differ, the term will be defined in this Appendix.
16. “Implementing Entity” means BISP, which is the Project Implementing Entity for the purposes of the Project and the Program Implementing Entity for the purposes of the Program.
17. “Implementing Entity Agreement” means the agreement between the Association and Implementing Entity relating to the implementation of the Operation, which is the Project Agreement for the purpose of the Project and the Program Agreement for the purpose of the Program, as such agreement may be amended from time to time with the prior written concurrence of the Association. The “Implementing Entity Agreement” includes the General Conditions as applied to the Implementing Entity Agreement, and all appendices, schedules and agreements supplemental to the Implementing Entity Agreement.
18. “Incremental Operating Costs” means the reasonable costs of incremental expenditures required for the purposes of the Project and incurred by the Implementing Entity for day-to-day coordination, administration, and supervision of Project activities, including consumable materials and supplies, office rental, utility fees, insurance, communications, advertising and newspaper subscriptions, printing and stationery, operation and maintenance of office equipment and vehicles, charges for opening and operating bank accounts, in-country travel costs, boarding/lodging and per-diems for Project staff, and salaries of contractual staff (other than consultants) required for Project management, but excluding salaries, bonuses, fees, and honoraria or equivalent payments of members of the Recipient’s civil service, except for salaries and/or salary supplements of members of the Recipient’s civil service for the purposes of the Operation. Recipient’s civil service

formally deputed to the Operation to assist in carrying out the Operation activities in accordance with the applicable government policies during the period of such deputation.

19. “Independent Verification Agent” or the acronym “IVA” means the Independent Verification Agent to be appointed by the Implementing Entity for the purpose of verifying DLRs in accordance with Section III.B.1(b) of Schedule 2 to this Agreement and Section III.C.(a) of the Schedule to the Implementing Entity Agreement.
20. “MELA” means the multi-entry localized access.
21. “National Socio-Economic Registry” or “NSER” means the Recipient’s socio-economic registry to maintain data on households welfare status, which is used to target BISP and other social programs.
22. ”Operation Report” means the Project Report and Program Report.
23. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the Project General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
24. “Program Action Plan” means the Recipient’s plan dated January 29, 2021 and referred to in Section I.C.1 of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Association.
25. “Program General Conditions” means the “International Development Association General Conditions for IDA Financing, Program-for-Results Financing”, dated December 14, 2018 (revised on August 1, 2020).
26. “Project General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020).
27. “Province” means each of the Provinces of Punjab, Sindh, Balochistan and Khyber Pakhtunkhwa of the Recipient, individually considered.
28. “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.
29. “Tehsil” means a territorial recognized division of the Recipient at the sub-district level.
30. “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.
31. “Verification Protocol” means the Recipient’s and/or Implementing Entity’s protocol, acceptable to the Association, setting forth the means by which the achievement of DLRs will be verified

under the Program, as such Verification Protocol may be amended from time to time with the prior written agreement of the Association.

32. "WeT" means the Recipient's co-responsibility cash transfer program, Waseela e Taleem, approved by BISP Management Board on February 19, 2012.