

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4816-PK

Financing Agreement

(Third Additional Financing for Highways Rehabilitation Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 27, 2011

Public Disclosure Authorized



CREDIT NUMBER 4816-PK

FINANCING AGREEMENT

AGREEMENT dated July 27, 2011, entered into between ISLAMIC REPUBLIC OF PAKISTAN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

(A) WHEREAS the International Development Association (the Association) had agreed to extend to the Recipient, on the terms and conditions set forth or referred to in the Development Credit Agreement, dated January 26, 2004, between the Recipient and the Association, a credit in an amount equivalent to one hundred five million nine hundred thousand Special Drawing Rights (SDR 105,900,000) (“Development Credit Agreement”), and on the terms set forth or referred to in the Loan Agreement, dated January 26, 2004, between the Recipient and the International Bank for Reconstruction and Development (“Bank”), a loan in an amount equal to five billion six hundred five million five hundred thousand Japanese Yen (¥5,605,500,000), both to assist in financing the project described in Schedule 2 to the Development Credit Agreement (Credit No. 3846-PAK and Loan No. 7212-PAK, respectively);

(B) WHEREAS the Bank had agreed to extend to the Recipient, on the terms and conditions set forth or referred to in the Agreement Amending the Loan Agreement and the Development Credit Agreement, dated December 6, 2005, between the Recipient and the Bank and the Association, a loan in an amount equal to one hundred million Dollars (\$100,000,000), in additional financing for such project (Loan No. 7341-PAK);

(C) WHEREAS the Bank had agreed to extend to the Recipient, on the terms and conditions set forth or referred to in the Loan Agreement, dated May 16, 2006, between the Recipient and the Bank, a loan in an amount equal to sixty five million Dollars (\$65,000,000), in additional financing for such project (Loan No. 7376-PAK) (“Second Additional Financing”);

(D) WHEREAS the Recipient has requested the Association to provide additional financing to finance completion of the original project activities on account of an unanticipated financing gap; and

(E) WHEREAS the Association has agreed to extend to the Recipient such additional financing on the terms and conditions set forth or referred to in 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) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to eighty five million seven hundred thousand Special Drawing Rights (SDR 85,700,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the Program. 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 IV of the General Conditions and the Project Agreement.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Secretary of the Economic Affairs Division of the Ministry of Economic Affairs and Statistics, or any of the Additional Secretary, Joint Secretary, Deputy Secretary, or Section Officer in said Division, acting individually.
- 5.02. The Recipient's Address is:

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

Facsimile:

92-51-921-8976

- 5.03. The Association's Address is:

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

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

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

ISLAMIC REPUBLIC OF PAKISTAN

By/s/ Abdul Wajid Rana

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s/ Rachid Benmessaoud

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist with the sustainable delivery of a productive and efficient national highway network, thereby contributing to lower transportation costs.

The Project constitutes part of the Program, and consists of the following parts:

1. Conservation of National Highways M-9 and N-5 Network
 - (a) Rehabilitation and safety and capacity improvement of approximately 541 kilometers of highways and related structures, including flood-damaged highways and structures, and including associated relocation of utility lines, and compensation, resettlement, and rehabilitation of Project Affected Persons.
 - (b) Resurfacing and pavement strengthening of an additional 336 kilometers of highways.
 - (c) Safety improvement at approximately twenty (20) locations.
 - (d) Afforestation.
 - (e) Design, contract management, and construction supervision.
2. Reconstruction and Rehabilitation of Earthquake- and Flood-Damaged Highways
 - (a) Reconstruction and rehabilitation of approximately 180 kilometers of earthquake- and flood-damaged highways, including National Highways N-15 and N-35 and Jhelum Valley Road, in Azad Jammu and Kashmir and Khyber-Pakhtunkhwa, including associated relocation of utility lines, and compensation, resettlement, and rehabilitation of Project Affected Persons.
 - (b) Design, contract management, and construction supervision.
3. Policy Support, and Institutional Development of Project Implementing Entity
 - (a) Implementation of improved sub-sectoral policies for better targeting of public sector resource allocation for the national highway network, including implementation of Medium-Term Budgetary Framework.

- (b) Provision of stable and secure funding for road maintenance, including operation of the Road Maintenance Account.
- (c) Institutional reform and corporate strengthening, including in relation to:
 - (i) business process re-engineering, financial management and management information systems;
 - (ii) road asset management, pavement systems and standards, and axle load management;
 - (iii) road safety practices;
 - (iv) environmental management and resettlement practices;
 - and (v) training and human resource development.
- (d) Carrying out of sector studies and future investment project preparation.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. On-granting**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity as a capital contribution on a non-reimbursable basis in accordance with the Recipient's standard budgetary procedures.
2. In the event of a conflict between the budgetary procedures of the Recipient and the provisions of this Agreement, including such additional instructions as the Association shall have specified by notice to the Recipient pursuant to Section IV.A of this Schedule, the provisions of this Agreement shall govern.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Plan

1. The Recipient shall: (i) ensure that the Project is carried out in accordance with the provisions of the Project Implementation Plan; and (ii) except as the Association shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. In the event of a conflict between the provisions of such Plan and those of this Agreement, the latter shall govern.

Section II. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall cause the Project Implementing Entity to prepare and furnish to the Recipient and the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall cause the Project Implementing Entity to have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Project Implementing Entity. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.
4. The Recipient shall, no later than the beginning of its 2012 fiscal year, take a decision regarding: (a) treatment of its existing stock of debt to the Project Implementing Entity; and (b) the mode of future funding to the Project Implementing Entity, all with a view to making the Project Implementing Entity financially sustainable commencing such fiscal year.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<u>Procurement Method</u>
(a) National Competitive Bidding, subject to the additional procedures set out in the Annex to this Schedule
(b) Shopping

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-Based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-Based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-Based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Selection Based on the Consultants' Qualifications
(b) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association:

(a) each contract for goods procured on the basis of International Competitive Bidding; (b) the first contract for goods estimated to cost the equivalent of \$25,000 or more but less than \$200,000 procured on the basis of National Competitive Bidding; (c) each contract for works procured on the basis of International Competitive Bidding; (d) each contract for works estimated to cost the equivalent of \$500,000 or more but less than \$5,000,000 equivalent procured on the basis of National Competitive Bidding; (e) the first contract for works estimated to cost the equivalent of \$500,000 or less procured on the basis of National Competitive Bidding; (f) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; (g) the first contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or less; (h) each contract for consultants' services provided by individual consultants estimated to cost the equivalent of \$50,000 or more; and (i) the first contract for consultants' services provided by individual

consultants estimated to cost the equivalent of \$50,000 or less. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance 100% (inclusive of Taxes) of Eligible Expenditures, consisting of goods, works, consultants’ services (including for audits), Training, and Operating Costs.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is June 30, 2012.

ANNEX TO SCHEDULE 2**National Competitive Bidding: Additional Procedures**

The additional procedures set out below shall apply to the procurement of goods and works under contracts awarded on the basis of National Competitive Bidding, in order to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines, pursuant to paragraph 3.3 of said Guidelines. In the event of a conflict between the Recipient's procedures and the provisions of paragraphs 3.3 and 3.4 of the Procurement Guidelines, said paragraphs shall govern, including the following:

1. Invitations to bid shall be advertised in at least one (1) national newspaper with a wide circulation, at least 30 days prior to the deadline for the submission of bids;
2. Bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;
3. Foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process;
4. Bidding shall not be restricted to pre-registered firms;
5. Qualification criteria shall be stated in the bidding documents;
6. Bids shall be opened in public, immediately after the deadline for submission of bids;
7. Bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior written agreement of the Bank;
8. Before rejecting all bids and soliciting new bids, the Bank's prior written agreement shall be obtained;
9. Bids shall be solicited and works contracts shall be awarded on the basis of unit prices;
10. Contracts shall not be awarded on the basis of nationally negotiated rates;
11. Single bids shall also be considered for award;
12. Contracts shall be awarded to the lowest evaluated and qualified bidder;

13. Post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidders;
14. Draft contracts shall be reviewed by the Bank in accordance with prior review procedures;
15. State-owned enterprises shall be eligible to bid only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the Borrower;
16. A firm declared ineligible by the Bank, based on a determination by the Bank that the firm has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for or in executing a Bank-financed contract, shall be ineligible to be awarded a Bank-financed contract during the period of time determined by the Bank.
17. The Bank shall declare a firm ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Bank, if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for, or in executing, a contract financed by the Bank; and
18. Each contract financed from the proceeds of a Loan shall provide that the suppliers, contractors, and subcontractors shall permit the Bank, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by the Bank. The deliberate and material violation by the supplier, contractor, or subcontractor of such provision may amount to an obstructive practice.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15:	
commencing March 15, 2021 to and including September 15, 2030	1.25
commencing March 15, 2031 to and including September 15, 2045	2.5

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX**Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, with the modifications set forth in Section II of this Appendix.
2. “Azad Jammu and Kashmir” means the area of Azad Jammu and Kashmir.
3. “Consultant Guidelines” means: (a) except as provided in subparagraph (b) below, the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010; and (b) in the case of contracts financed or to be financed, in whole or in part, out of the proceeds of the Second Additional Financing, and for which the invitation to bid was issued prior to the date of this Agreement, “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
4. “Economic Affairs Division” means the division of the Ministry of Economic Affairs and Statistics (as hereinafter defined), responsible for economic affairs, or any successor thereto.
5. “Environmental Assessment Framework” means the Recipient’s framework, dated November 2005, agreed with the Association and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental impacts of Part 2 of the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such framework.
6. “Environmental Management Plans” means, collectively, the Recipient’s plans, dated May 2003 with respect to the first phase of Part 1 of the Project and October 2004 with respect to the second phase of Part 1 of the Project, and as may be prepared with respect to Part 2 of the Project in accordance with the provisions of the Environmental Assessment Framework, agreed with the Association and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental impacts of the Project, respectively, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any

schedules or annexes to such plans; and “Environmental Management Plan” means, individually, any of such plans.

7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
8. “Involuntary Resettlement” means: (a) the involuntary taking of land, resulting in (i) relocation, or loss of shelter; (ii) loss of assets, or access to assets; or (iii) loss of income sources, or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of the affected person.
9. “Jhelum Valley Road” means the Muzaffarabad-Htian-Chakothi segments of the Recipient’s provincial road network, all as may be defined in Part I of the Schedule to the Project Implementing Entity’s Legislation (as hereinafter defined) in due course.
10. “Khyber-Pakhtunkhwa” means a political subdivision of the Recipient, or any successor thereto.
11. “Land Acquisition Act” means the Recipient’s Land Acquisition Act, 1894 (Act No. 1 of 1894), as amended from time to time.
12. “Medium-Term Budgetary Framework” means the Project Implementing Entity (as hereinafter defined)’s indicative five (5)-year (FY 2003-08) budgetary framework, dated October 2003 and agreed with the Association, for the Recipient’s national highway network, and including a prioritized investment and maintenance program and setting out prioritization criteria for future updates of such program, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such framework.
13. “Ministry of Economic Affairs and Statistics” means the Recipient’s ministry responsible for economic affairs and statistics, or any successor thereto.
14. “National Highway Authority” means the Recipient’s entity, established and operating pursuant to the Recipient’s National Highway Authority Act, 1991 (Act No. XI of 1991), and responsible for the Recipient’s national highway network.
15. “National Highway M-9” means the Karachi-Hyderabad highway, as defined in Part I of the Schedule to the Project Implementing Entity’s Legislation (as hereinafter defined).

16. “National Highway N-15” means the Mansehra-Balakot-Kaghan-Naran segments of the Recipient’s national highway network, all as defined in Part I of the Schedule to the Project Implementing Entity’s Legislation (as hereinafter defined).
17. “National Highway N-35” means the Hassanabadal-Abbottabad-Batgram-Sazin-Gilgit-Sust-Khunjab Pass segments of the Recipient’s national highway network, all as defined in Part I of the Schedule to the Project Implementing Entity’s Legislation (as hereinafter defined).
18. “National Highway N-5” means the Karachi-Thata-Hyderabad-Moro-Multan-Sahiwal-Lahore-Jhelum-Rawalpindi-Peshawar-Torkham segments of the Recipient’s national highway network, all as defined in Part I of the Schedule to the Project Implementing Entity’s Legislation (as hereinafter defined).
19. “Operating Costs” means the reasonable costs of incremental expenditures under the Project, incurred by the Recipient or the Project Implementing Entity for purposes of Project implementation, management, and monitoring and evaluation, on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related publicity and media expenses, travel and subsistence, and salaries of contractual and temporary staff, but excluding salaries, bonuses, fees, and honoraria of members of the Recipient’s civil service.
20. “Procurement Guidelines” means: (a) except as provided in subparagraph (b) below, the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006 and May 2010; and (b) in the case of contracts financed or to be financed, in whole or in part, out of the proceeds of the Second Additional Financing, and for which the invitation to bid was issued prior to the date of this Agreement, “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated December 23, 2006 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
22. “Program” means the Highway Rehabilitation and Maintenance Program designed to improve the Recipient’s national highway system, based on annual maintenance plans developed in accordance with the standard operating procedures relating to the Road Maintenance Account (as hereinafter defined) and allocations agreed in the Medium-Term Budgetary Framework and set forth or referred to in the Recipient’s program concept document of March 26, 2001.

23. “Project Affected Person” means a person who, on account of Project implementation, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in (i) relocation, or loss of shelter; (ii) loss of assets, or access to assets; or (iii) loss of income sources, or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and “Project Affected Persons” means, collectively, all such persons.
24. “Project Implementation Plan” means the Recipient’s plan, dated October 2003, agreed with the Association and setting out implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
25. “Project Implementing Entity” means National Highway Authority.
26. “Project Implementing Entity’s Legislation” means National Highway Authority Act, 1991 (Act No. XI of 1991), as amended in 2001, and such term includes any other laws and regulations governing the organization, reorganization, restructuring, and operations of the Project Implementing Entity, as the same may be amended from time to time.
27. “Resettlement Action Plans” means, collectively, the Recipient’s plans, dated May 2003 with respect to the first phase of Part 1 of the Project and October 2007 with respect to the second phase of Part 1 of the Project, and as may be prepared with respect to Part 2 of the Project, agreed with the Association and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to carry out acquisition of land and related assets under the Project and compensation, resettlement, and rehabilitation of Project Affected Persons, in accordance with the provisions of the Resettlement Policy Framework (as hereinafter defined), as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plans; and “Resettlement Action Plan” means, individually, any of such plans.
28. “Resettlement Policy Framework” means the Recipient’s framework, dated May 2003, agreed with the Association and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to carry out acquisition of land and related assets under the Project, compensation, resettlement, and rehabilitation of Project Affected Persons, and preparation of

Resettlement Action Plans, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.

29. “Road Asset Management Directorate” means the Project Implementing Entity’s directorate, responsible for road asset management, or any successor thereto.
30. “Road Maintenance Account” means the Project Implementing Entity’s account, established and operated pursuant to the Project Implementing Entity’s Legislation, serving to finance road maintenance.
31. “Road Maintenance Account Rules” means the National Highway Authority Road Maintenance Account Rules, 2003, prescribed by the Project Implementing Entity under the Project Implementing Entity’s Legislation for the operation of the Road Maintenance Account and published on September 22, 2003.
32. “Subproject” means one (1) or more contract packages under Part 1 (a) and / or 2 (a) of the Project, grouped together for procurement purposes.
33. “Training” means the cost of training financed under the Project, and attributable to seminars, workshops, and study tours, along with the cost of travel and subsistence for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

Section II. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5 (a) and a new Section 5 (b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive, or collusive practices in connection with the use of the proceeds of a financing made by such financier.”
2. Section 11 (a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn 13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower,

individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive, or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank-financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross-debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive, or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government-owned enterprises and agencies that are not eligible to bid under paragraph 1.8 (b) of the Procurement Guidelines or participate under paragraph 1.11 (c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board set forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”

